

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

		The Group	
		30 September 2013	31 December 2012
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		32,270,392	30,763,061
Reverse repurchase agreements		11,699,977	5,594,278
Deposits and placements with banks and other financial institutions		5,127,942	4,990,331
Financial assets held for trading	A8	22,621,416	25,383,276
Derivative financial instruments	A21	5,470,185	4,125,907
Financial investments available-for-sale	A9	32,438,259	29,207,522
Financial investments held-to-maturity	A10	8,831,633	8,985,294
Loans, advances and financing	A11	222,174,924	202,137,818
Other assets	A12	10,321,954	7,392,298
Deferred tax assets		256,818	110,344
Tax recoverable		45,478	73,934
Statutory deposits with central banks		6,831,418	5,264,920
Investment in associates and jointly controlled entities		1,025,152	893,716
Property, plant and equipment		1,517,071	1,534,341
Investment properties		16,940	17,451
Prepaid lease payments		150,766	159,613
Goodwill		8,015,148	8,180,586
Intangible assets		1,599,279	1,677,520
		370,414,752	336,492,210
Non-current assets held for sale		20,910	564,674
TOTAL ASSETS		370,435,662	337,056,884
LIABILITIES AND EQUITY			
Deposits from customers	A13	262,141,761	247,614,609
Deposits and placements of banks and other financial institutions	A14	22,703,666	17,758,456
Repurchase agreements		9,299,747	3,068,039
Derivative financial instruments	A21	5,795,895	4,083,366
Bills and acceptances payable		4,406,059	4,257,257
Other liabilities	A15	9,705,333	7,479,226
Deferred tax liabilities		84,688	132,682
Current tax liabilities		413,529	322,400
Bonds and debentures	B7	5,775,741	3,350,499
Other borrowings	B7	5,796,758	5,586,698
Subordinated notes	B7	12,482,852	13,220,286
Non-cumulative guaranteed and redeemable preference shares		859,197	831,920
TOTAL LIABILITIES		339,465,226	307,705,438
Ordinary share capital		7,615,851	7,432,775
Reserves		22,367,743	20,944,487
Less: Shares held under trust		(563)	(563)
Treasury shares, at cost		(33)	(32)
		29,982,998	28,376,667
Perpetual preference shares		200,000	200,000
Non-controlling interests		787,438	774,779
TOTAL EQUITY		30,970,436	29,351,446
TOTAL EQUITY AND LIABILITIES		370,435,662	337,056,884
COMMITMENTS AND CONTINGENCIES	A22	558,971,498	461,648,463
Net assets per share attributable to owners of the Parent (RM)		3.94	3.82

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Continuing operations					
Interest income	A16	3,752,636	3,414,977	10,890,566	10,078,487
Interest expense	A17	(1,718,993)	(1,529,311)	(4,984,748)	(4,590,383)
Net interest income		2,033,643	1,885,666	5,905,818	5,488,104
Income from Islamic Banking operations	A26(c)	379,996	463,600	1,142,715	1,291,410
Net non-interest income	A18	1,068,274	1,194,685	3,300,971	3,342,968
		3,481,913	3,543,951	10,349,504	10,122,482
Gain on disposal of subsidiaries and associates		3,157	425	525,113	3,053
		3,485,070	3,544,376	10,874,617	10,125,535
Overheads	A19	(2,059,290)	(2,007,095)	(6,321,310)	(5,646,121)
Profit before allowances		1,425,780	1,537,281	4,553,307	4,479,414
Allowance made for impairment losses on loans, advances and financing	A20	(200,365)	(81,451)	(352,116)	(276,774)
Allowance made for impairment losses on other receivables		(9,934)	(494)	(18,220)	(27,004)
Allowance written back for commitments and contingencies		-	2,971	1,334	14,805
Allowance (made)/written back for other impairment losses		(4,739)	1,736	(4,079)	(1,842)
		1,210,742	1,460,043	4,180,226	4,188,599
Share of results of jointly controlled entities		3,539	4,820	18,769	8,655
Share of results of associates		171,976	23,108	292,179	74,049
Profit before taxation		1,386,257	1,487,971	4,491,174	4,271,303
Taxation	B4	(307,520)	(330,338)	(939,002)	(999,330)
Profit for the period for continuing operations		1,078,737	1,157,633	3,552,172	3,271,973
Discontinuing operations					
Share of results of associate from discontinuing operations (attributable to owners of the Parent)		-	7,797	-	35,214
Profit for the period		1,078,737	1,165,430	3,552,172	3,307,187
Profit for the period attributable to :					
Owners of the Parent		1,061,691	1,142,823	3,502,136	3,263,178
Non-controlling interests		17,046	22,607	50,036	44,009
		1,078,737	1,165,430	3,552,172	3,307,187
Earnings per share (sen):					
- Basic					
From continuing operations	B9(a)	13.9	14.9	46.5	43.4
From discontinuing operations	B9(a)	-	0.5	-	0.5
		13.9	15.4	46.5	43.9
- Fully diluted	B9(b)	N/A	N/A	N/A	N/A

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

CIMB GROUP HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,078,737	1,165,430	3,552,172	3,307,187
Other comprehensive income:				
Continuing operations				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	(314,508)	21,592	(836,040)	28,341
- Net (loss)/gain from change in fair value	(507,681)	114,787	(812,564)	241,508
- Realised gain transferred to statement of income on disposal and impairment	(9,173)	(103,234)	(206,624)	(245,300)
- Income tax effects	208,265	10,188	189,072	36,016
- Currency translation difference	(5,919)	(149)	(5,924)	(3,883)
Net investment hedge	(77,125)	66,305	(129,544)	56,795
Hedging reserve - cash flow hedge				
- Net loss from change in fair value	(8,584)	(13)	(10,362)	(33)
Exchange fluctuation reserve				
- Currency translation differences in respect of foreign operations	(1,030,667)	(627,096)	(710,439)	(933,679)
Share of other comprehensive income/(expense) of associates	-	3,199	5,213	(16,304)
Other comprehensive expense for the period, net of tax for continuing operations	(1,430,884)	(536,013)	(1,681,172)	(864,880)
Total comprehensive (expense)/income for the period	(352,147)	629,417	1,871,000	2,442,307
Total comprehensive (expense)/income for the period attributable to:				
Owners of the Parent	(337,573)	618,903	1,852,734	2,417,639
Non-controlling interests	(14,574)	10,514	18,266	24,668
	(352,147)	629,417	1,871,000	2,442,307
Total comprehensive (expense)/income for the period attributable to owners of the Parent arising from:				
- Continuing operations	(337,573)	611,106	1,852,734	2,382,425
- Discontinuing operations	-	7,797	-	35,214
	(337,573)	618,903	1,852,734	2,417,639

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
At 1 January 2013	7,432,775	4,192,596	4,306,464	137,104	(876,497)	(563)	(32)	800,965	(75,701)	59,459	1,173,577	11,226,520	28,376,667	200,000	774,779	29,351,446
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,502,136	3,502,136	-	50,036	3,552,172
Other comprehensive income (net of tax)	-	-	(27)	-	(692,538)	-	-	(816,596)	(140,414)	173	-	-	(1,649,402)	-	(31,770)	(1,681,172)
- financial investments available-for-sales	-	-	-	-	-	-	-	(821,809)	-	-	-	-	(821,809)	-	(14,231)	(836,040)
- net investment hedge	-	-	-	-	-	-	-	-	(130,052)	-	-	-	(130,052)	-	508	(129,544)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(10,362)	-	-	-	(10,362)	-	-	(10,362)
- currency translation difference	-	-	(27)	-	(692,538)	-	-	-	-	173	-	-	(692,392)	-	(18,047)	(710,439)
- share of other comprehensive income of associate	-	-	-	-	-	-	-	5,213	-	-	-	-	5,213	-	-	5,213
Total comprehensive income for the period	-	-	(27)	-	(692,538)	-	-	(816,596)	(140,414)	173	-	3,502,136	1,852,734	-	18,266	1,871,000
Dividend for the financial year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(1,366,143)	(1,366,143)	-	-	(1,366,143)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,054)	(6,054)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	44,667	-	-	-	-	-	-	-	-	(44,667)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	460,859	(460,859)	-	-	-	-
Transfer to capital reserve	-	-	-	2,001	-	-	-	-	-	-	-	-	2,001	-	-	2,001
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447	447
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	72,230	-	-	72,230	-	-	72,230
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(51,795)	-	-	(51,795)	-	-	(51,795)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(63,953)	-	-	-	(63,953)	-	-	(63,953)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	7,879	7,879	-	-	7,879
Issuance of shares pursuant to Dividend Reinvestment Plan	183,076	970,303	-	-	-	-	-	-	-	-	-	-	1,153,379	-	-	1,153,379
At 30 September 2013	7,615,851	5,162,899	4,351,104	139,105	(1,569,035)	(563)	(33)	(15,631)	(280,068)	80,067	1,634,436	12,864,866	29,982,998	200,000	787,438	30,970,436

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	← Attributable to owners of the Parent →															
	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - financial investments available-for-sale RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
The Group 30 September 2012	7,432,775	4,192,596	4,103,591	137,104	174,664	(563)	(30)	729,551	(111,642)	374,332	490,627	8,550,863	26,073,868	200,000	724,429	26,998,297
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	3,263,178	3,263,178	-	44,009	3,307,187
Other comprehensive income (net of tax)	-	-	(10)	-	(913,140)	-	-	11,805	56,679	(873)	-	-	(845,539)	-	(19,341)	(864,880)
- financial investments available-for-sales	-	-	-	-	-	-	-	28,109	-	-	-	-	28,109	-	232	28,341
- net investment hedge	-	-	-	-	-	-	-	-	56,712	-	-	-	56,712	-	83	56,795
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(33)	-	-	-	(33)	-	-	(33)
- currency translation difference	-	-	(10)	-	(913,140)	-	-	-	-	(873)	-	-	(914,023)	-	(19,656)	(933,679)
- share of other comprehensive expense of associate	-	-	-	-	-	-	-	(16,304)	-	-	-	-	(16,304)	-	-	(16,304)
Total comprehensive income for the period	-	-	(10)	-	(913,140)	-	-	11,805	56,679	(873)	-	3,263,178	2,417,639	-	24,668	2,442,307
Dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
- single tier second interim dividend	-	-	-	-	-	-	-	-	-	-	-	(743,277)	(743,277)	-	-	(743,277)
Dividend for the financial year ending 31 December 2012	-	-	-	-	-	-	-	-	-	-	-	(371,639)	(371,639)	-	-	(371,639)
- single tier interim dividend	-	-	-	-	-	-	-	-	-	-	-	(371,639)	(371,639)	-	-	(371,639)
Non-controlling interest share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,425)	(1,425)	
Transfer to statutory reserve	-	-	92,744	-	-	-	-	-	-	-	-	(92,744)	-	-	-	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	326,216	(326,216)	-	-	-	
Arising from (dilution)/accretion of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(2,640)	(2,640)	-	7,913	5,273
Bonus issue and capital repayment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,615	33,615
Purchase of treasury shares	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-	-	(1)
Share-based payment expense	-	-	-	-	-	-	-	-	-	67,800	-	-	67,800	-	-	67,800
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(23,693)	-	-	(23,693)	-	-	(23,693)
Purchase of shares in relation to Equity Ownership Plan	-	-	-	-	-	-	-	-	(71,955)	-	-	-	(71,955)	-	-	(71,955)
Arising from staffs resigned under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	2,369	2,369	-	-	2,369
Expiry of Manangement Equity Scheme	-	-	-	-	-	-	-	-	-	(335,516)	-	335,516	-	-	-	-
At 30 September 2012	7,432,775	4,192,596	4,196,325	137,104	(738,476)	(563)	(31)	741,356	(126,918)	82,050	816,843	10,615,410	27,348,471	200,000	789,200	28,337,671

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

CIMB GROUP HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	The Group	
	30 September 2013	30 September 2012
	RM'000	RM'000
Profit before taxation		
- From continuing operations	4,491,174	4,271,303
- From discontinued operations	-	35,214
	4,491,174	4,306,517
Adjustments for non-operating and non-cash items	(578,456)	(211,005)
Operating profit before changes in working capital	3,912,718	4,095,512
Net changes in operating assets	(26,339,080)	(27,976,033)
Net changes in operating liabilities	28,244,621	18,322,269
	1,905,541	(9,653,764)
Cash flows generated from/(used in) operations	5,818,259	(5,558,252)
Taxation paid	(846,120)	(722,618)
Net cash flows generated from/(used in) operating activities	4,972,139	(6,280,870)
Net cash flows used in investing activities	(3,110,717)	(5,060,831)
Net cash flows from financing activities	431,521	495,282
Net increase/(decrease) in cash and cash equivalents during the financial period	2,292,943	(10,846,419)
Effects of exchange rate changes	(785,612)	(566,204)
Cash and short-term funds at beginning of the financial period	30,763,061	34,203,978
Cash and short-term funds at end of the financial period	32,270,392	22,791,355
Statutory deposits with Bank Indonesia*	(3,815,629)	(3,916,482)
Monies held in trust	(29,695)	(29,866)
Cash and cash equivalents at end of the financial period	28,425,068	18,845,007

* This represent non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation which is not readily available for use by the Group.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period ended 30 September 2013 have been prepared under the historical cost convention, except for financial assets held for trading, financial investments available-for-sale, derivative financial instruments, investment properties and non-current assets/disposal groups held for sale, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2012, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2013:

MFRS 10 "Consolidated financial statements"

MFRS 11 "Joint arrangements"

MFRS 12 "Disclosures of interests in other entities"

MFRS 13 "Fair value measurement"

Revised MFRS 127 "Separate financial statements"

Revised MFRS 128 "Investments in associates and joint ventures"

MFRS 3 "Business Combinations" (IFRS 3 Business Combinations issued by IASB in March 2004)

Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective from 1 July 2012)

Amendment to MFRS 7 "Disclosures - offsetting financial assets and financial liabilities"

Amendment to MFRS 119 "Employee benefits"

Amendment to MFRS 134 "Interim financial reporting"

Amendments to MFRS 10, MFRS 11 and MFRS 12 "Consolidated financial statements, Joint arrangements and Disclosure of interests in other entities: Transition Guidance"

The adoption of the new standards, amendments to published standards and interpretations are not expected to have impact on the financial results of the Group and the Company, other than as disclosed below:

- Amendment to MFRS 119 "Employee benefits"

The Amendment to MFRS 119 "Employee Benefits" makes significant changes to the recognition and measurement of defined benefits pension expenses and termination benefits, and to the disclosures for all employee benefits. The key changes to the accounting policy to the Group and the Company are as follows:

(i) Actuarial gains and losses will no longer be deferred using the corridor approach and will be recognised immediately in other comprehensive income.

(ii) Pension costs for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the interest cost and expected return on plan assets.

The financial effects of the adoption of MFRS 119 are still being assessed by the Group and the Company.

- Amendments to MFRS 101 "Presentation of items of other comprehensive income"

The amendment requires items of comprehensive income to be presented into two grouping, which is to separate items of other comprehensive income that would be reclassified subsequently to profit or loss when specific conditions are met from those that would never be reclassified subsequently to profit or loss. The adoption of the revised standards affects only the disclosures in the financial statements. There is no financial effect on the results, earnings per share and the financial position of the Group and the Company for the current and previous financial periods.

- Amendment to MFRS 134 "Interim financial reporting"

The amendment requires the disclosure of segmental information on the measure of total assets and liabilities for related reportable segment if such amount are regularly provided to the chief operating decision-maker and material change from the amount disclosed in the last annual financial statements for that particular reportable segment.

A1. BASIS OF PREPARATION (Continued)

- MFRS 13 “Fair value measurement”

MFRS 13 does not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards for all assets and liabilities measured at fair value. The Group and the Company have adopted this standard and the disclosures are disclosed in Note A25.

The unaudited condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. CHANGES IN ESTIMATES

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the period ended 30 September 2013:-

(a) From 21 January 2013 to 30 September 2013 the Company purchased 199 of its own shares from the open market at an average market price of RM7.51 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM1,548.

The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

(b) On 22 February 2013, the Company announced that it will be seeking its shareholders' approval at its 56th Annual General Meeting (“AGM”) to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 17 April 2013.

(c) On 22 January 2013, CIMB Bank issued a HKD430 million 3-year senior unsecured Fixed Rate Notes (the “Notes”) under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes will mature on 22 January 2016. It bears a coupon rate of 1.20% per annum payable quarterly in arrears.

(d) On 22 January 2013, CIMB Bank issued a HKD171 million 5-year senior unsecured Fixed Rate Notes (the “Notes”) under its USD1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes will mature on 22 January 2018. It bears a coupon rate of 1.60% per annum payable quarterly in arrears.

(e) On 29 January 2013, CIMB Bank Berhad issued 2-year USD45 million senior unsecured floating rate notes (the “Notes”) under its USD 1 billion Euro Medium Term Note Programme established on 27 January 2011. The Notes will mature on the interest payment date falling in or nearest to January 2015. The coupon rate is calculated based on the 3 month U.S.\$ LIBOR plus a margin of 0.70% per annum and coupon is payable quarterly in arrears.

(f) On 18 January 2013, the Group had announced its proposal to put in place a dividend reinvestment scheme that will allow its shareholders the option to elect to reinvest their cash dividend in new ordinary share (“New CIMB Shares”) (“Dividend Reinvestment Scheme”). The Dividend Reinvestment Scheme (“DRS”) has received the necessary approval from Bursa Securities on 5 February 2013, its shareholders via an Extraordinary General Meeting held on 25 February 2013 and from Bank Negara Malaysia on 25 March 2013.

The entitlement date pursuant to the interim dividend and the corresponding DRS was fixed for 9 April 2013. The Group had, on 8 May 2013, issued and allotted 183,075,800 new ordinary shares of RM1.00 each in New CIMB Shares, pursuant to the DRS which applies to the Single Tier second interim dividend for the financial year ended 31 December 2012. The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Thursday, 9 May 2013. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 7,615,850,446 CIMBGH shares.

The entitlement date pursuant to Interim Dividend and the corresponding DRS was fixed for 2 October 2013. The Group had, on 30 October 2013, issued and allotted 113,495,493 new ordinary shares of RM1.00 each in New CIMB Shares, pursuant to the DRS which applies to the Single Tier First Interim Dividend for the financial year ending 31 December 2013. The New CIMB Shares were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m., Thursday, 31 October 2013. With the listing of the New Shares, the enlarged issued and paid-up share capital of CIMBGH is 7,729,345,939 CIMBGH shares.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(g) PT CIMB Niaga Auto Finance, a wholly-owned subsidiary of CIMB Niaga, has issued a 3-year IDR200,000 million Monetary Term Notes (“the MTN”) on 15 February 2013. The MTN will be matured on 15 February 2016. It bears fixed interest rate of 8.50% per annum.

(h) CIMB Bank has redeemed its RM1.5 billion 10-year subordinated bonds with callable maturity date on 28 March 2013.

(i) CIMB Bank Berhad issued HKD350 million nominal value 3-year senior unsecured notes (the “Notes”) under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 14 March 2013 and will mature on 14 March 2016 (subject to adjustment in accordance with the modified following business day convention). The Notes bear a coupon rate of 1.09% per annum payable quarterly in arrears.

(j) CIMB Bank Berhad, acting through its Singapore Branch, issued SGD20 million nominal value 5-year senior unsecured notes (the “Notes”) under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 22 March 2013 and will mature on 22 March 2018 (subject to adjustment in accordance with the modified following business day convention). The Notes bear a coupon rate of 1.67% per annum payable semi-annually in arrears.

(k) CIMB Bank Berhad, acting through its Labuan Offshore Branch, issued USD20 million nominal value 3-year senior unsecured notes (the “Notes”) under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 8 April 2013 and will mature on 8 April 2016. The Notes bear a floating coupon rate of 3 month U.S.\$ LIBOR plus 79 basis points per annum payable quarterly in arrears.

(l) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB4.6 billion with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rates ranges from 0 - 5.2% per annum variable to index of THBFIX 6 months, payable semi annually.

Subsequent to the period end, CIMB Thai Bank issued various unsecured structured debentures amounted to THB250 million with embedded callable range accrual swaps. The debentures will mature in five years from respective issuance dates. The debentures bear interest rate ranges from 0 - 4.8% per annum variable to index of THBFIX 6 months, payable semi annually.

CIMB Thai Bank has the option to early redeem the above structured debentures on any coupon dates.

During and subsequent to financial period, CIMB Thai Bank has early redeemed structured debentures amounted to THB970 million and THB37 million respectively.

(m) On 25 May 2011, CIMBGH’s proposal to undertake the proposed dual listing of ordinary shares of RM1.00 each on the Stock Exchange of Thailand (“SET”) (“Proposed SET Listing”) was put on hold due to various key regulatory issues, including tax related matters.

On 9 May 2013, the Group announced that the Board of Directors of CIMBGH (“the Board”) has decided to resume with the Proposed SET Listing, in light of the recent regulatory developments in the Kingdom of Thailand (“Thailand”). CIMBGH and its advisors will continue to hold discussions with the relevant authorities in Thailand on the details of the implementation of the Proposed SET Listing.

The Proposed SET Listing is subject to the approval of the Securities Commission Malaysia (“SC”), Bursa Securities Malaysia Berhad (“Bursa Securities”), Securities and Exchange Commission of Thailand, SET and any other relevant parties. Application for the Proposed SET Listing was made to the SC and the listing application was made to Bursa Securities on 9 May 2013.

The Group subsequently announced on 30 May 2013 and 10 June 2013 that the relevant approvals had been obtained from SC and Bursa Securities respectively in relation to the Proposed SET Listing, with conditions to be met. Upon attaining all necessary approvals, the proposed SET listing is expected to be implemented by end 2013. On 15 November 2013, the Group submitted an application to the SC for a 6-month extension to complete the proposed SET listing.

(n) PT CIMB Niaga Auto Finance, a wholly-owned subsidiary of CIMB Niaga, has issued a 3-year IDR400,000 million Monetary Term Notes (“the MTN”) on 16 April 2013. The MTN will be matured on 16 April 2016. It bears fixed interest rate of 8.20% per annum.

(o) CIMB Bank Berhad issued HKD775 million nominal value 3-year senior unsecured notes (the “Notes”) under its USD1 billion nominal value Euro Medium Term Note Programme established on 27 January 2011. The Notes were issued on 29 August 2013 and will mature on 29 August 2016 (subject to adjustment in accordance with the modified following business convention). The Notes bear a floating coupon rate of 3 month HIBOR plus 56 basis points per annum payable quarterly in arrears.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(p) On 1 August 2013, CIMB Bank has successfully set up a Basel 3 Compliant Tier 2 Subordinated Debt Issuance Programme of up to RM10.0 Billion in nominal value ("Basel 3 Subordinated Debt Programme").

CIMB Bank has on 13 September 2013 completed the inaugural issuance of a RM750 million Subordinated Debt under the Basel 3 Subordinated Debt Programme. The Subordinated Debt was issued as a single tranche of RM750 million tranche at 4.80% per annum with a maturity of 10 years non-callable at the end of year 5. CIMB Bank has on 16 October 2013 completed the second issuance of a RM300 million Subordinated Debt under the Basel 3 Subordinated Debt Programme. The Subordinated Debt was issued as a single tranche of RM300 million at 4.77% per annum with a maturity of 10 years non-callable at the end of year 5.

Redemption of the Subordinated Debts on the call dates shall be subject to Bank Negara Malaysia's approval. There is no step up coupon after call dates. The proceeds of the Subordinated Debts shall be made available to CIMB Bank, without limitation for its working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing subordinated debt previously issued by the Issuer under other programmes established by CIMB Bank.

A4. DIVIDENDS PAID

A single tier second interim dividend of 18.38 sen per ordinary share, on 7,432,771,338 ordinary shares amounting to RM1,366,000,000 in respect of the financial year ended 31 December 2012, was approved by the Board of Directors on 17 January 2013. The dividend consists of an electable portion of 18.38 sen which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Scheme ("DRS") as disclosed in A3(f). Following the completion of the DRS, a total cash dividend of RM212,765,822 was paid on 8 May 2013.

A single tier first interim dividend of 12.82 sen per ordinary share, on 7,615,847,038 ordinary shares amounting to RM976,351,583 in respect of the financial year ending 31 December 2013, was approved by the Board of Directors on 30 July 2013. The dividend consists of an electable portion of 12.82 sen which can be elected to be reinvested in new ordinary shares in accordance with the DRS as disclosed in A3(f). Following the completion of the DRS, a total cash dividend of RM193,232,679 was paid on 30 October 2013.

No dividend has been proposed during the financial period ended 30 September 2013.

A5. STATUS OF CORPORATE PROPOSAL

(a) On 8 May 2012 CIMB Bank entered into sale and purchase agreements ("SPA") with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders in relation to the proposed acquisition of 59.98% of the total issued and paid-up share capital of Bank of Commerce ("Proposed Acquisition").

However, on 21 June 2013 it was announced that the SPAs in relation to the Proposed Acquisition have lapsed. The parties to the SPAs have been engaged in negotiations since the lapse of the SPAs, but have not been able to reach an agreement on new terms in relation to the Proposed Acquisition. As such, the parties did not proceed with the Proposed Acquisition.

(b) On 2 April 2012, CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of the Group, has entered into a Sale and Purchase Agreement with the RBS for the acquisition of selected cash equities business in Australia, China, Hong Kong, India and Taiwan, equity capital markets business and M&A corporate finance business in Australia, China (excluding any activities carried on by Hua Ying Securities Co., Ltd.), Hong Kong, India, Indonesia, Malaysia, Singapore, Taiwan and Thailand for a total cash consideration of GBP88.4 million (or equivalent to approximately RM431.8 million) ("Proposed Acquisition").

Pursuant to, CIMBG had entered into a cooperation letter agreement with RBS to confirm their mutual understanding to explore cooperation in various areas, which include capital markets activities, mergers and acquisitions, equities, derivatives, loan markets, trade advisory and trade financing solutions, cash management services and agent/custodian bank arrangements.

The acquisition of selected equity capital markets and M&A corporate finance businesses in Indonesia, Malaysia, Singapore and Thailand has been completed on 27 April 2012. The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in China and Hong Kong was completed on 30 June 2012.

On 12 July 2012, the proposed acquisition of the cash equities, equity capital markets and M&A corporate finance businesses of RBS in India had been terminated due to an unexpected legal issue. The acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia was completed on 2 November 2012.

On 28 March 2013, the acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Taiwan was completed.

A5. STATUS OF CORPORATE PROPOSAL (Continued)

(c) CIG Berhad ("CIG"), a wholly-owned subsidiary of the Group, has entered into an implementation agreement ("the Agreement") dated 17 January 2013 in relation to the proposed disposal of CIG's and its affiliates (collectively, the "Seller") and Aviva International Holdings Limited's stakes in both CIMB Aviva Assurance Berhad ("CAAB") and both CIMB Aviva Takaful Berhad ("CATB") to Renggis Ventures Sdn Bhd ("RVSB"), a wholly-owned subsidiary of Khazanah Nasional Berhad and Sun Life Assurance Company of Canada respectively ("Proposed Transaction").

Under the Agreement, the understanding is for the Seller to dispose its stake in CAAB and CATB to RVSB, upon receipt of the relevant regulatory approvals, for a purchase consideration of RM1,110.0 million, of which RM1,066.5 million shall be satisfied in cash and RM43.5 million in ordinary shares of RVSB. As a result, CIMB Group will maintain an indirect interest of 2% interest in CAAB and CATB.

The application in respect of the Proposed Transaction has also been submitted to Bank Negara Malaysia on 17 January 2013 and approval obtained on 28 March 2013.

CIG had subsequently entered into a sale and purchase agreement dated 29 March 2013 with RVSB in respect of the proposed disposal of the Seller's stake in CAAB and CATB ("Proposed Disposal"). The Proposed Disposal had been completed on 12 April 2013.

The disposal of stake in CAAB and CATB has resulted in a gain of RM515 million recognised in the Consolidated Statement of Income for the period ended 31 March 2013.

(d) CIMB Securities International (Australia) Pty Limited, a wholly-owned indirect subsidiaries of the Group had on 10 May 2013, entered into a strategic alliance agreement with RBS Morgans Holdings Pty Limited for the provision of research reports and cooperation on corporate advisory and capital markets work in Australia.

(e) CIMB Securities International Pte Ltd, a wholly-owned indirect subsidiary of CIMB Group, has on 6 June 2013 disposed its 99.99% shareholding in CIMB-GK Securities (Thailand) Ltd ("CIMB-GK") ("Disposal") to a third party.

Thereafter, CIMB-GK, a dormant company, shall cease to be an indirect subsidiary of CIMB Group. The Disposal was completed on 6 June 2013.

(f) On 28 June 2013, CIMB Strategic Assets Sdn Bhd ("CIMBSA"), a wholly-owned subsidiary of the Group has entered into a joint venture with HLFG Principal Investments (L) Limited ("HLFGPI"), a wholly-owned subsidiary of Hong Leong Financial Group Berhad ("HLFG"), in respect of their 50% : 50% shareholding respectively of Bangsar Capital Holdings (L) Limited ("Bangsar Capital") ("the Joint-Venture").

The Joint-Venture will be incorporated in Labuan and will act as an investment holding company dedicated to establishing and managing a private equity fund.

A6. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events that had occurred between 30 September 2013 and the date of this announcement, other than those disclosed under Issuance and Repayment of Debts and Equity Securities, and Status of Corporate Proposal.

PART A - EXPLANATORY NOTES

A8. FINANCIAL ASSETS HELD FOR TRADING

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	475,937	310,623
Khazanah bonds	-	16,914
Malaysian Government treasury bills	95,789	215,116
Bank Negara Malaysia monetary notes	3,256,383	7,647,761
Negotiable instruments of deposit	3,361,316	2,929,556
Bankers' acceptances and Islamic accepted bills	408,219	584,737
Credit-linked notes	49,300	46,291
Other Government's securities	3,695,663	3,574,330
Commercial papers	449,459	320,059
Government investment issues	96,533	413,357
	11,888,599	16,058,744
Quoted securities:		
<i>In Malaysia:</i>		
Shares	1,474,240	1,056,010
<i>Outside Malaysia:</i>		
Shares	50,088	2,452
Private and Islamic debt securities	351,967	387,834
Other Government bonds	683,635	621,390
Bank Indonesia certificates	209,485	-
Investment linked funds	492,432	472,208
	3,261,847	2,539,894
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	4,352,365	4,886,688
Shares	6,700	6,544
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	3,037,529	1,822,141
Shares	64,735	59,769
Unit trust	9,641	9,496
	7,470,970	6,784,638
Total financial assets held-for-trading	22,621,416	25,383,276

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

The Group
30 September 2013 31 December 2012
RM'000 RM'000

Money market instruments:

Unquoted

Malaysian Government securities	706,114	860,826
Cagamas bonds	318,033	290,288
Khazanah bonds	386,623	400,350
Other Government securities	247,577	104,099
Other Government treasury bills	-	49,398
Bank Negara Malaysia Monetary Notes	-	497,386
Government investment issues	3,353,663	3,480,923
Commercial papers	-	9,999
	5,012,010	5,693,269

Quoted securities:

In Malaysia:

Shares	226,716	20,476
Unit trusts	149,999	134,276

Outside Malaysia:

Shares	385	289
Private and Islamic debt securities	1,676,756	1,212,714
Other Government bonds	4,827,865	3,211,801
Unit trusts	308,328	292,873
	7,190,049	4,872,429

Unquoted securities:

In Malaysia:

Private and Islamic debt securities	14,598,686	13,982,613
Shares	1,007,967	1,003,666
Loan stocks	10,433	18,507
Property funds	189	194

Outside Malaysia:

Shares	65,576	75,903
Private equity and unit trust funds	104,360	88,291
Private and Islamic debt securities	4,710,346	3,758,795
Loan stocks	720	1,889
	20,498,277	18,929,858
	32,700,336	29,495,556

Allowance for impairment loss:

Private debt securities	(90,991)	(115,716)
Quoted shares	(10,672)	(12,464)
Quoted bonds	(6,609)	(8,423)
Unquoted shares	(141,426)	(134,972)
Unit trusts	(1,946)	(1,898)
Loan stocks	(10,433)	(14,561)
	(262,077)	(288,034)

Total financial investments available-for-sale

32,438,259	29,207,522
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A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	675,783	-
Cagamas bonds	4,834	4,834
Other government securities	781,764	754,593
Bank Negara Malaysia Monetary Notes	9,945	9,719
Malaysian Government investment issues	141,025	20,686
	1,613,351	789,832
Quoted securities		
<i>Outside Malaysia</i>		
Private debt securities	2,029,353	2,560,527
Islamic bonds	7,093	18,519
Other Government bonds	486,522	177,690
Bank Indonesia certificates	252,861	150,745
	2,775,829	2,907,481
Unquoted securities		
<i>In Malaysia</i>		
Private debt securities	3,258,696	3,654,055
Loan stocks	27,388	28,813
Danaharta Urus Sdn Bhd ("DUSB") bonds	-	130,139
	1,208,940	1,485,557
<i>Outside Malaysia</i>		
Private debt securities	4,495,024	5,298,564
	8,884,204	8,995,877
Accretion of discount net of amortisation of premium	(13,704)	30,746
Less : Allowance for impairment losses	(38,867)	(41,329)
Total financial investments held-to-maturity	8,831,633	8,985,294

Included in the financial investments held-to-maturity of the Group as at 30 September 2013 are 10-year promissory notes of THB209 million (2012: THB263 million) maturing between 2013 to 2015, which were received from Thai Asset Management Corporation ("TAMC") for settlement of impaired loans transferred by CIMB Thai Bank to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer the impaired loans to TAMC, CIMB Thai Bank has a gain and loss sharing arrangement with TAMC arising from the recovery of the impaired loans. During the previous financial year, CIMB Bank Thai has recognised a gain of approximately RM133 million arising from the sharing agreement.

A11. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 September 2013	31 December 2012
At amortised cost	RM'000	RM'000
Overdrafts	5,611,072	5,981,019
Term loans/financing		
- Housing loans/financing	55,601,700	52,299,880
- Syndicated term loans	13,198,523	9,288,422
- Hire purchase receivables	14,151,138	12,772,502
- Lease receivables	165,918	205,565
- Factoring receivables	22,298	19,007
- Other term loans/financing	88,249,010	79,003,082
Bills receivable	5,920,709	3,720,725
Trust receipts	2,292,909	2,389,242
Claims on customers under acceptance credits	4,750,402	5,010,728
Staff loans *	742,491	685,699
Credit card receivables	5,980,372	5,690,695
Revolving credits	29,291,812	28,966,355
Share margin financing	2,318,922	2,309,686
Other loans	503	432
Gross loans, advances and financing	228,297,779	208,343,039
Fair value changes arising from fair value hedge	243,966	360,979
	228,541,745	208,704,018
Less: Allowance for impairment losses		
- Individual impairment allowance	(3,171,553)	(3,270,343)
- Portfolio impairment allowance	(3,195,268)	(3,295,857)
	(6,366,821)	(6,566,200)
Total net loans, advances and financing	222,174,924	202,137,818

* Included in staff loans of the Group are loans to Directors amounting to RM9,933,805 (2012: RM2,275,218).

Included in the Group's loans, advances and financing balances are RM58 million (2012: RM64 million) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM8,166 million (2012: RM7,869 million) of its loan exposure using interest rate swaps.

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Gross loan hedged	8,166,484	7,869,471
Fair value changes arising from fair value hedges	243,966	360,979
	8,410,450	8,230,450

The fair value loss of interest rate swaps in these hedge transaction as at 30 September 2013 was RM256 million (2012: RM311 million).

A11. LOANS, ADVANCES AND FINANCING (Continued)**(ii) By type of customers**

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
Domestic banking financial institutions	1,660,692	1,814,205
Domestic non-bank financial institutions		
- stockbroking companies	10,278	10,009
- others	2,718,842	1,807,723
Domestic business enterprises		
- small medium enterprises	33,683,192	29,702,223
- others	47,679,724	48,220,165
Government and statutory bodies	12,935,854	12,883,567
Individuals	106,133,780	96,771,514
Other domestic entities	1,705,863	2,168,197
Foreign entities	21,769,554	14,965,436
Gross loans, advances and financing	<u>228,297,779</u>	<u>208,343,039</u>

(iii) By interest/profit rate sensitivity

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate		
- Housing loans	1,810,736	1,944,961
- Hire-purchase receivables	14,134,286	12,765,401
- Other fixed rate loans	39,268,725	41,206,674
Variable rate		
- BLR plus	109,579,951	101,437,673
- Cost plus	29,959,226	25,595,375
- Other variable rates	33,544,855	25,392,955
Gross loans, advances and financing	<u>228,297,779</u>	<u>208,343,039</u>

(iv) By economic purpose

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
Personal use	8,367,877	7,242,619
Credit card	5,980,372	5,690,695
Purchase of consumer durables	88,757	25,342
Construction	8,390,114	7,276,301
Residential property (Housing)	55,975,723	52,491,785
Non-residential property	18,068,859	15,963,686
Purchase of fixed assets other than land and building	13,952,957	14,901,632
Mergers and acquisitions	5,830,636	1,987,139
Purchase of securities	14,078,551	12,214,573
Purchase of transport vehicles	17,902,959	18,720,872
Working capital	60,460,572	53,855,535
Other purposes	19,200,402	17,972,860
Gross loans, advances and financing	<u>228,297,779</u>	<u>208,343,039</u>

A11. LOANS, ADVANCES AND FINANCING (Continued)**(v) By geographical distribution**

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Malaysia	137,192,815	125,727,508
Indonesia	46,902,615	48,347,157
Thailand	18,409,365	15,243,168
Singapore	20,086,036	13,423,878
United Kingdom	821,255	934,931
Hong Kong	692,563	1,119,775
Other countries	4,193,130	3,546,622
Gross loans, advances and financing	228,297,779	208,343,039

(vi) By residual contractual maturity

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Within one year	59,539,699	49,322,168
One year to less than three years	23,764,881	28,500,116
Three years to less than five years	26,294,140	23,576,875
Five years and more	118,699,059	106,943,880
Gross loans, advances and financing	228,297,779	208,343,039

(vii) Impaired loans, advances and financing by economic purpose

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Personal use	258,573	244,752
Credit card	37,125	39,687
Purchase of consumer durables	188	204
Construction	1,252,565	1,226,694
Residential property (Housing)	1,610,929	1,645,152
Non-residential property	296,775	338,853
Purchase of fixed assets other than land and building	460,668	416,280
Purchase of securities	194,818	193,583
Purchase of transport vehicles	307,041	338,661
Working capital	2,470,894	2,679,792
Other purpose	851,765	804,159
Gross impaired loans, advances and financing	7,741,341	7,927,817

(viii) Impaired loans, advances and financing by geographical distribution

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Malaysia	4,795,821	5,078,112
Indonesia	1,333,690	1,335,882
Thailand	1,353,943	1,225,674
Singapore	45,707	45,764
United Kingdom	3,929	2,310
Other countries	208,251	240,075
Gross impaired loan	7,741,341	7,927,817

A11. LOANS, ADVANCES AND FINANCING (Continued)

(ix) Movements in impaired loans

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
At 1 January	7,927,817	9,804,681
Classified as impaired during the period/year	2,554,717	3,111,369
Reclassified as not impaired during the period/year	(1,191,198)	(1,818,922)
Amount written back in respect of recoveries	(852,070)	(1,263,113)
Amount written off	(807,017)	(2,129,372)
Reclassification from unwinding income	22,182	210,839
Loans/financing converted to securities	-	(13,219)
Exchange fluctuation	86,910	25,554
At 30 September / 31 December	7,741,341	7,927,817
Ratio of gross impaired loans to gross loans, advances and financing	3.39%	3.81%

(x) Movements in the allowance for impaired loans, advances and financing are as follows:

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
<u>Individual impairment allowance</u>		
At 1 January	3,270,343	3,988,345
Net allowance made during the period/year	32,583	164,322
Amount written off	(179,836)	(895,452)
Allowance (written back)/made and charged to deferred assets	(890)	1,221
Amount transferred from portfolio impairment allowance	1,195	22,111
Loans/financing converted to securities	-	(13,219)
Unwinding income	49,677	85,234
Exchange fluctuation	(1,519)	(82,219)
At 30 September / 31 December	3,171,553	3,270,343
<u>Portfolio impairment allowance</u>		
At 1 January	3,295,857	3,964,876
Net allowance made during the period/year	613,509	600,195
Amount transferred to individual impairment allowance	(1,195)	(22,111)
Amount transferred to allowance for impairment losses on other receivables	-	(28,786)
Amount written off	(610,827)	(1,221,111)
Allowance written back and charged to deferred assets	160	(1,510)
Unwinding income	(24,020)	69,404
Exchange fluctuation	(78,216)	(65,100)
At 30 September / 31 December	3,195,268	3,295,857
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross loans, advances and financing (excluding RPSIA financing) less individual impairment allowance	2.27%	2.32%

A12. OTHER ASSETS

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Due from brokers and clients net of allowance for doubtful debts	2,732,671	1,905,758
Other debtors, deposits and prepayments net of allowance for doubtful debts	4,259,813	2,775,848
Due from jointly controlled entity	1,301,318	1,285,914
Due from insurers, brokers and reinsurers	29,281	33,271
Option premium receivable	250,769	246,723
Deferred assets	87,646	103,524
Foreclosed properties net of allowance for impairment losses	176,701	178,713
Collateral pledged for derivative transactions	1,483,755	862,547
	10,321,954	7,392,298

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	60,491,838	56,596,258
Savings deposits	31,031,142	29,196,454
Fixed deposits	109,284,843	113,966,142
Negotiable instruments of deposit	7,168,446	3,371,484
Others	54,165,492	44,484,271
	262,141,761	247,614,609
<u>By type of customer</u>		
Government and statutory bodies	9,660,128	11,507,833
Business enterprises	99,882,766	101,297,676
Individuals	98,167,347	92,727,823
Others	54,431,520	42,081,277
	262,141,761	247,614,609

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

One year or less (short term)	111,240,033	112,737,865
More than one year (medium/long term)	5,213,256	4,599,761
	116,453,289	117,337,626

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Licensed banks	18,806,088	12,383,677
Licensed finance companies	246,609	405,675
Licensed investment banks	265,544	437,756
Bank Negara Malaysia	1,015,353	1,988,428
Other financial institutions	2,370,072	2,542,920
	22,703,666	17,758,456

A15. OTHER LIABILITIES

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Due to brokers and clients	2,346,967	1,730,672
Expenditure payable	1,760,086	1,849,179
Provision for legal claims	85,654	86,801
Sundry creditors	1,961,666	809,560
Insurance fund - life and takaful insurance business	57,066	51,277
Allowance for commitments and contingencies	18,040	17,711
Post employment benefit obligations	305,586	253,924
Credit card expenditure payable	143,795	222,557
Call deposit borrowing	797,889	456,832
Others	2,228,584	2,000,713
	9,705,333	7,479,226

A16. INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	2,964,405	2,741,373	8,576,323	8,057,700
- Unwinding income [^]	28,834	33,347	81,598	108,512
Money at call and deposit placements with financial institutions	161,169	102,578	506,211	390,452
Reverse repurchase agreements	88,145	46,010	242,917	116,510
Financial assets held for trading	117,812	110,365	345,963	304,167
Financial investments available-for-sale	310,501	232,840	840,943	633,158
Financial investments held-to-maturity	83,133	94,447	249,888	300,624
Others	1,668	3,290	9,451	8,870
	3,755,667	3,364,250	10,853,294	9,919,993
Accretion of discounts less amortisation of premiums	(3,031)	50,727	37,272	158,494
	3,752,636	3,414,977	10,890,566	10,078,487

[^] Unwinding income is interest income earned on impaired financial assets

A17. INTEREST EXPENSE

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	45,242	53,358	141,063	115,833
Deposits from other customers	1,280,614	1,189,836	3,721,685	3,649,301
Repurchase agreements	56,640	7,934	149,254	21,992
Bonds and debentures	47,538	10,198	134,549	36,293
Subordinated notes	148,270	132,829	449,879	410,034
Negotiable certificates of deposits	44,452	35,441	110,577	71,519
Other borrowings	78,573	73,276	217,859	197,938
Others	17,664	26,439	59,882	87,473
	1,718,993	1,529,311	4,984,748	4,590,383

A18. NET NON-INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(a) Net fee income and commission income:				
Commissions	154,308	137,841	445,434	388,289
Fee on loans, advances and financing	104,013	100,648	348,965	331,672
Portfolio management fees	10,992	5,718	23,009	13,052
Service charges and fees	139,081	147,490	407,370	407,115
Corporate advisory fees	11,813	9,567	78,956	67,620
Guarantee fees	16,201	11,490	45,303	34,747
Other fee income	88,156	94,630	240,361	220,704
Placement fees	14,288	17,587	47,841	43,844
Underwriting commission	6,265	8,634	48,387	12,096
Fee and commission income	545,117	533,605	1,685,626	1,519,139
Fee and commission expense	(88,883)	(104,497)	(309,414)	(307,234)
Net fee and commission income	456,234	429,108	1,376,212	1,211,905
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Financial assets held for trading	11,835	15,039	20,330	26,529
- Financial investments available-for-sale	1,850	70	11,031	9,206
<i>Outside Malaysia</i>				
- Financial assets held for trading	581	210	1,403	1,175
- Financial investments available-for-sale	6,930	8,841	15,563	11,292
	21,196	24,160	48,327	48,202
(c) Net (loss)/gain arising from financial assets held for trading	(42,179)	5,381	(143,620)	66,669
- realised	(101,038)	45,853	(57,145)	107,991
- unrealised	58,859	(40,472)	(86,475)	(41,322)
(d) Net gain/(loss) arising from derivative financial instruments	377,158	5,512	592,058	480,219
- realised	41,270	32,178	481,441	422,802
- unrealised	335,888	(26,666)	110,617	57,417
(e) Net loss arising from hedging derivatives	(19,768)	(14,760)	(21,341)	(53,077)
(f) Net gain from sale of financial investments available-for-sale	9,185	103,209	205,556	296,256
(g) Net gain from maturity of financial investment held-to-maturity	-	30,055	44,666	35,643
(h) Income from assets management and securities services	53,250	43,898	151,898	138,049
(i) Brokerage income	126,403	101,824	410,979	289,918
(j) Other non-interest income:				
Foreign exchange (loss)/gain	(24,760)	226,465	277,104	336,842
Rental income	3,092	2,359	8,741	6,844
Gain on disposal of property, plant and equipment/assets held for sale	1,389	4,224	13,318	6,809
Underwriting surplus before management expenses	5,608	4,486	12,770	10,754
Share of gain from recovery of impaired loans	-	133,464	-	133,464
Loss on disposal of foreclosed properties	(11,283)	(5,077)	(24,068)	(4,853)
Other non-operating income	112,749	100,377	348,371	339,324
	86,795	466,298	636,236	829,184
Total other operating income	1,068,274	1,194,685	3,300,971	3,342,968

A19. OVERHEADS

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	931,096	890,636	2,691,425	2,415,087
- Pension cost	71,035	65,015	217,254	181,289
- Overtime	8,017	5,944	25,088	25,364
- Staff incentives and other staff payments	47,160	54,169	140,676	138,589
- Medical expenses	22,532	22,823	70,410	63,059
- Others	154,158	128,649	500,220	312,349
	1,233,998	1,167,236	3,645,073	3,135,737
Establishment costs				
- Depreciation of property, plant and equipment	89,003	81,438	268,898	258,065
- Amortisation of prepaid lease payments	2,935	3,221	8,953	9,536
- Rental	92,102	84,219	278,935	242,156
- Repair and maintenance	77,945	70,776	284,702	233,956
- Outsourced services	44,689	44,889	131,019	185,283
- Security expenses	24,325	23,583	76,839	69,618
- Others	61,744	51,006	184,025	152,680
	392,743	359,132	1,233,371	1,151,294
Marketing expenses				
- Sales commission	2,389	4,308	7,709	12,681
- Advertisement	75,200	73,334	222,336	202,674
- Others	22,358	15,695	63,241	45,721
	99,947	93,337	293,286	261,076
Administration and general expenses				
- Amortisation and impairment of intangible assets	57,506	68,926	288,118	190,818
- Legal and professional fees	42,934	47,431	118,626	143,936
- Stationery	18,399	19,950	58,496	60,060
- Communication	36,901	37,306	113,257	119,531
- Incidental expenses on banking operations	11,205	10,192	24,326	30,155
- Insurance	53,541	46,488	157,341	133,572
- Others	112,116	157,097	389,416	419,942
	332,602	387,390	1,149,580	1,098,014
	2,059,290	2,007,095	6,321,310	5,646,121

A20. ALLOWANCE MADE FOR IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Allowance made for impaired loans, advances and financing:				
Net allowance made/(written back) during the financial period				
- Individual impairment allowance	44,393	(18,263)	32,583	91,535
- Portfolio impairment allowance	248,550	204,789	613,509	505,836
Impaired loans, advances and financing:				
- recovered	(102,047)	(107,619)	(314,799)	(328,584)
- written off	9,469	2,544	20,823	7,987
	200,365	81,451	352,116	276,774

A21. DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
At 30 September 2013			
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	16,403,547	231,929	(224,986)
- Less than 1 year	13,466,473	192,403	(141,414)
- 1 year to 3 years	784,905	14,741	(19,782)
- More than 3 years	2,152,169	24,785	(63,790)
Currency swaps	88,042,335	1,106,807	(924,608)
- Less than 1 year	87,466,101	1,077,292	(920,278)
- 1 year to 3 years	289,267	11,809	(2,937)
- More than 3 years	286,967	17,706	(1,393)
Currency spot	9,624,324	39,278	(19,463)
- Less than 1 year	9,624,324	39,278	(19,463)
Currency options	3,698,634	120,228	(82,537)
- Less than 1 year	2,634,350	60,967	(23,298)
- 1 year to 3 years	532,142	22,130	(22,121)
- More than 3 years	532,142	37,131	(37,118)
Cross currency interest rate swaps	32,185,905	1,031,665	(793,492)
- Less than 1 year	4,578,111	204,617	(112,329)
- 1 year to 3 years	11,634,344	163,736	(289,075)
- More than 3 years	15,973,450	663,312	(392,088)
	149,954,745	2,529,907	(2,045,086)
<u>Interest rate derivative</u>			
Interest rate swaps	277,770,434	2,139,847	(1,413,609)
- Less than 1 year	41,697,072	63,938	(86,670)
- 1 year to 3 years	153,864,361	626,925	(578,229)
- More than 3 years	82,209,001	1,448,984	(748,710)
Interest rate futures	5,606,458	9,372	(3,880)
- Less than 1 year	4,105,856	5,739	(3,839)
- 1 year to 3 years	1,484,277	3,630	(41)
- More than 3 years	16,325	3	-
Interest rate options	10,758,601	1,645	(39,562)
- Less than 1 year	476,237	17	(5,156)
- 1 year to 3 years	2,067,512	1,628	(7,580)
- More than 3 years	8,214,852	-	(26,826)
	294,135,493	2,150,864	(1,457,051)
<u>Equity related derivatives</u>			
Index futures	4,878	42	(6)
- Less than 1 year	4,878	42	(6)
Equity options	8,146,976	301,986	(1,407,928)
- Less than 1 year	3,146,638	274,569	(1,070,063)
- 1 year to 3 years	2,015,455	17,483	(317,046)
- More than 3 years	2,984,883	9,934	(20,819)
Equity swaps	747,659	8,779	(248,222)
- Less than 1 year	96,128	246	(163,116)
- 1 year to 3 years	39,481	8,472	(85,055)
- More than 3 years	612,050	61	(51)
	8,899,513	310,807	(1,656,156)
<u>Commodity related derivatives</u>			
Commodity swaps	2,448,743	99,676	(98,278)
- Less than 1 year	2,393,966	84,978	(84,094)
- 1 year to 3 years	47,732	4,324	(3,810)
- More than 3 years	7,045	10,374	(10,374)
Commodity options	167,176	124,957	(125,030)
- Less than 1 year	2,963	39	(112)
- 1 year to 3 years	77,021	83,510	(83,510)
- More than 3 years	87,192	41,408	(41,408)
	2,615,919	224,633	(223,308)
<u>Credit related contract</u>			
Credit default swaps	5,083,657	63,298	(63,700)
- Less than 1 year	1,086,681	563	(21,951)
- 1 year to 3 years	2,182,261	17,540	(12,597)
- More than 3 years	1,814,715	45,195	(29,152)
<u>Hedging derivatives</u>			
Interest rate swaps	21,064,006	181,448	(313,808)
- Less than 1 year	67,846	106	(527)
- 1 year to 3 years	5,672,159	110,737	(32,486)
- More than 3 years	15,324,001	70,605	(280,795)
Currency forward	167,538	2,597	-
- Less than 1 year	167,538	2,597	-
Cross currency interest rate swaps	1,765,211	6,631	(36,786)
- Less than 1 year	274,835	-	(13,775)
- 1 year to 3 years	973,923	2,394	(4,553)
- More than 3 years	516,453	4,237	(18,458)
	22,996,755	190,676	(350,594)
Total derivative assets/(liabilities)	483,686,082	5,470,185	(5,795,895)

A21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

At 31 December 2012	The Group		
	Principal amount	Fair values	
		Assets	Liabilities
	RM'000	RM'000	RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	13,542,140	170,004	(171,271)
- Less than 1 year	10,297,294	67,972	(104,824)
- 1 year to 3 years	1,136,705	59,776	(33,953)
- More than 3 years	2,108,141	42,256	(32,494)
Currency swaps	53,863,289	235,347	(193,694)
- Less than 1 year	53,461,234	219,441	(191,879)
- 1 year to 3 years	215,636	5,172	(1,251)
- More than 3 years	186,419	10,734	(564)
Currency spot	5,559,618	2,491	(3,729)
- Less than 1 year	5,559,618	2,491	(3,729)
Currency options	1,592,825	7,455	(6,494)
- Less than 1 year	1,592,825	7,455	(6,494)
Cross currency interest rate swaps	20,868,765	578,385	(339,913)
- Less than 1 year	3,511,121	137,088	(87,179)
- 1 year to 3 years	7,257,431	189,356	(109,816)
- More than 3 years	10,100,213	251,941	(142,918)
	95,426,637	993,682	(715,101)
<u>Interest rate derivative</u>			
Interest rate swaps	254,831,493	2,095,358	(1,695,206)
- Less than 1 year	38,432,806	71,625	(68,101)
- 1 year to 3 years	161,514,518	700,612	(680,522)
- More than 3 years	54,884,169	1,323,121	(946,583)
Interest rate futures	8,199,677	20,571	(606)
- Less than 1 year	4,571,511	8,894	(551)
- 1 year to 3 years	3,119,440	10,459	(55)
- More than 3 years	508,726	1,218	-
Interest rate options	2,478,652	1,400	(14,283)
- Less than 1 year	290,000	862	(1,788)
- 1 year to 3 years	170,000	489	(3,959)
- More than 3 years	2,018,652	49	(8,536)
	265,509,822	2,117,329	(1,710,095)
<u>Equity related derivatives</u>			
Index futures	1,245,997	15,325	(15,336)
- Less than 1 year	713,516	2,616	(2,627)
- 1 year to 3 years	151,964	2,556	(2,556)
- More than 3 years	380,517	10,153	(10,153)
Equity options	8,706,537	551,515	(983,801)
- Less than 1 year	3,355,279	524,471	(941,504)
- 1 year to 3 years	2,630,101	26,202	(29,627)
- More than 3 years	2,721,157	842	(12,670)
Equity swaps	340,784	937	(945)
- More than 3 years	340,784	937	(945)
	10,293,318	567,777	(1,000,082)
<u>Commodity related derivatives</u>			
Commodity swaps	199,464	19,072	(19,870)
- Less than 1 year	163,152	11,675	(12,565)
- 1 year to 3 years	29,711	3,458	(3,366)
- More than 3 years	6,601	3,939	(3,939)
Commodity futures	135	15	-
- Less than 1 year	135	15	-
Commodity options	521,350	141,739	(141,752)
- Less than 1 year	367,498	16,895	(16,908)
- More than 3 years	153,852	124,844	(124,844)
	720,949	160,826	(161,622)
<u>Credit related contract</u>			
Credit default swaps	2,167,635	31,603	(99,750)
- Less than 1 year	445,962	819	(59,782)
- 1 year to 3 years	1,064,578	3,488	(9,653)
- More than 3 years	657,095	27,296	(30,315)
<u>Hedging derivatives</u>			
Interest rate swaps	18,488,500	240,707	(384,450)
- Less than 1 year	1,088,711	10,360	(3,697)
- 1 year to 3 years	3,700,279	127,898	(53,971)
- More than 3 years	13,699,510	102,449	(326,782)
Currency forward	208,663	203	-
- Less than 1 year	208,663	203	-
Cross currency interest rate swaps	991,873	13,780	(12,266)
- 1 year to 3 years	563,674	8,322	(1,055)
- More than 3 years	428,199	5,458	(11,211)
	19,689,036	254,690	(396,716)
Total derivative assets/(liabilities)	393,807,397	4,125,907	(4,083,366)

A21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Group's derivative financial instruments are subject to market and credit risk, as follows:

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2013, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM5,470 million (2012: RM4,126 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2012 and the Risk Management section of the 2012 Annual Report.

A22. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enter into various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the Group's assets except for certain financial assets held for trading being pledged as credit support assets for certain over-the-counter derivative contracts.

<u>The Group</u>	30 September 2013	31 December 2012
	Principal Amount RM'000	Principal Amount RM'000
<u>Credit-related</u>		
Direct credit substitutes	8,158,459	6,091,247
Certain transaction-related contingent items	5,887,328	6,084,990
Short-term self-liquidating trade-related contingencies	3,184,100	2,597,320
Obligations under underwriting agreement	226,206	-
Irrevocable commitments to extend credit		
- maturity not exceeding one year	49,427,080	47,395,370
- maturity exceeding one year	7,190,139	5,834,498
Miscellaneous commitments and contingencies	6,572,349	2,183,684
Total credit-related commitments and contingencies	80,645,661	70,187,109
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	118,211,731	74,207,227
- one year to less than five years	27,130,760	17,555,418
- five years and above	6,545,004	4,864,528
	151,887,495	96,627,173
<u>Interest rate related contracts</u>		
- less than one year	46,691,231	74,657,093
- one year to less than five years	228,386,945	164,276,556
- five years and above	42,460,654	45,607,215
	317,538,830	284,540,864
<u>Equity related contracts</u>		
- less than one year	3,247,643	3,943,985
- one year to less than five years	4,035,989	4,655,934
- five years and above	1,615,880	1,693,398
	8,899,512	10,293,317
Total treasury-related commitments and contingencies	478,325,837	391,461,354
	558,971,498	461,648,463

A23. CAPITAL ADEQUACY

The capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

Bank Negara Malaysia (BNM) and Bank of Thailand (BOT) issued revised guidelines on the capital adequacy framework on 28 November 2012 and 8 November 2012 respectively, of which both took effect beginning 1 January 2013. The revised guidelines sets out the general requirements concerning regulatory capital adequacy, components of eligible regulatory capital and requirements for computing risk-weighted assets.

The capital adequacy ratios of the CIMB Bank Group (other than CIMB Thai Bank and CIMB Bank PLC), CIMB Bank and CIMB Islamic Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach. The components of eligible regulatory capital is based on the Capital Adequacy Framework (Capital Components). The comparative capital adequacy ratios as at 31 December 2012 were based on BNM's Risk-Weighted Capital Adequacy Framework (RWCAF).

The risk-weighted assets of CIMB Investment Bank Group is computed in accordance with Standardised approach (SA approach) for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk based on the Capital Adequacy Framework (Basel II - Risk Weighted Assets). The components of eligible regulatory capital is based on the Capital Adequacy Framework (Capital Components). The comparative capital adequacy ratios as at December 2012 were based on BNM's Risk-Weighted Capital Adequacy Framework (RWCAF).

The capital adequacy ratios of CIMB Thai Bank is based on the revised "Notification of The BOT. No. SoNoRSor. 87/2551 - The supervisory capital funds of commercial banks". Credit Risk and Market Risk are based on SA approach while Operational Risk is based on Basic Indicator Approach. The comparative capital adequacy ratios as at 31 December 2012 were based on "Notification of The BOT. No. SoNoRSor. 12/2555 - The supervisory capital funds of commercial banks".

The capital adequacy ratios of Bank CIMB Niaga is based on Bank Indonesia requirements. The approach for Credit Risk and Market Risk is Standardised Approach (SA approach). Operational Risk is based on Basic Indicator Approach.

The amount presented for CIMB Bank PLC is the Solvency Ratio, which is the nearest equivalent regulatory compliance ratio. It is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. The ratio is derived at CIMB Bank PLC's net worth dividend by its risk-weighted assets.

A23. CAPITAL ADEQUACY (continued)
30 September 2013

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Common equity tier 1 ratio	9.18% # ^	8.71%	10.33%	7.64% # ^	21.02%	N/A	N/A
Tier 1 ratio	11.15% # ^	9.00%	10.33%	9.16% # ^	21.02%	13.30%	N/A
Total capital ratio	12.56% # ^	12.76%	14.60%	12.49% # ^	21.02%	15.79%	23.09%

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	105,946,409	19,069,105	17,474,147	142,580,179	1,142,812	42,100,224	550,024
Market risk	11,377,928	727,092	1,542,495	13,020,384	266,524	287,144	-
Operational risk	10,978,897	1,798,952	1,112,602	14,248,744	839,596	5,255,011	-
Large exposure risk	422,460	-	-	422,460	-	-	-
	<u>128,725,694</u>	<u>21,595,149</u>	<u>20,129,244</u>	<u>170,271,767</u>	<u>2,248,932</u>	<u>47,642,379</u>	<u>550,024</u>

(c) Components of Common Equity Tier I, additional Tier I and Tier II capital are as follows:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Common Equity Tier I capital							
Ordinary shares	3,889,950	1,000,000	1,098,136	3,889,950	100,000	453,306	146,925
Other reserves	13,896,533	1,432,787	1,062,501	16,731,757	431,116	5,931,642	(21,417)
Qualifying non-controlling interests	-	-	-	254,037	-	-	-
Common Equity Tier I capital before regulatory adjustments	<u>17,786,483</u>	<u>2,432,787</u>	<u>2,160,637</u>	<u>20,875,744</u>	<u>531,116</u>	<u>6,384,948</u>	<u>125,508</u>
Less: Regulatory adjustments							
Goodwill	(3,555,075)	(136,000)	-	(4,940,376)	(964)	-	-
Intangible assets	(713,122)	(8,854)	-	(735,318)	-	-	(1,895)
Deferred tax assets	(175,627)	(22,533)	(81,180)	(223,664)	(43,358)	-	-
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	-	-	-	(49,699)	-
Deduction in excess of Tier 2 capital	-	-	-	-	(13,758)	-	-
Shortfall of eligible provisions to expected losses	(110,087)	-	-	(256,771)	-	-	-
Others	(1,416,024)	(384,345)	-	(1,708,755)	(271)	-	(562)
Common Equity Tier I capital after regulatory adjustments	<u>11,816,548</u>	<u>1,881,056</u>	<u>2,079,457</u>	<u>13,010,860</u>	<u>472,765</u>	<u>6,335,249</u>	<u>123,051</u>
Additional Tier I capital							
Perpetual preference shares	180,000	63,000	-	180,000	-	-	-
Non-innovative Tier I Capital	900,000	-	-	900,000	-	-	-
Innovative Tier I Capital	1,450,620	-	-	1,450,620	-	-	-
Qualifying capital instruments held by third parties	-	-	-	50,654	-	-	-
Additional Tier I capital before and after regulatory adjustments	<u>2,530,620</u>	<u>63,000</u>	<u>-</u>	<u>2,581,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tier I Capital	<u>14,347,168</u>	<u>1,944,056</u>	<u>2,079,457</u>	<u>15,592,134</u>	<u>472,765</u>	<u>6,335,249</u>	<u>123,051</u>
Tier II capital							
Subordinated notes	5,750,000	765,000	562,482	5,750,000	-	739,525	-
Redeemable preference shares	29,740	-	-	29,740	9	-	-
Qualifying capital instruments held by third parties	-	-	-	10,602	-	-	-
Portfolio impairment allowance & Regulatory reserve	201,019	45,803	62,401	484,518	1,716	463,360	3,943
Others	-	-	234,368	-	-	32,278	-
Tier II capital before regulatory adjustments	<u>5,980,759</u>	<u>810,803</u>	<u>859,251</u>	<u>6,274,860</u>	<u>1,725</u>	<u>1,235,163</u>	<u>3,943</u>
Less: Regulatory adjustments							
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(4,159,692)	-	-	(599,842)	(15,483)	(49,699)	-
Total Tier II capital	<u>1,821,067</u>	<u>810,803</u>	<u>859,251</u>	<u>5,675,018</u>	<u>-</u>	<u>1,185,464</u>	<u>3,943</u>
Total capital base	<u>16,168,235</u>	<u>2,754,859</u>	<u>2,938,708</u>	<u>21,267,152</u>	<u>472,765</u>	<u>7,520,713</u>	<u>126,994</u>

Interim dividend for financial year ending 31 December 2013 was paid in September 2013.

√ The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 30 September 2013 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM240 million, RM219 million and RM21 million respectively.

* The amount presented here is the Solvency Ratio of CIMB Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived at CIMB Bank Plc's net worth divided by its risk-weighted assets.

^ CIMB Group Holdings ("CIMBGH") implemented a Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 2012. Pursuant to the DRS, CIMBGH completed the reinvestment of excess cash dividend surplus of RM601 million into the Bank on 23 September 2013 via right issue.

On 26 August 2013, CIMBGH announced that it would implement the DRS for the first interim dividend in respect of the financial year ending 2013. Pursuant to the DRS, CIMBGH intends to reinvest the excess cash dividend into the Bank, which would increase the capital adequacy ratios of the Group and the Bank above those stated above.

A23. CAPITAL ADEQUACY (continued)

31 December 2012

(a) The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

	CIMB Bank	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank Group	CIMB Investment Bank Group	Bank CIMB Niaga	CIMB Bank PLC*
Before deducting proposed dividend							
Core capital ratio	13.16%	8.69%	10.27%	10.47%	20.98%	12.25%	N/A
Risk-weighted capital ratio	16.34%	13.27%	16.21%	16.19%	21.02%	15.08%	26.82%
After deducting proposed dividend							
Core capital ratio	12.35% # ^	8.69%	10.27%	9.86% # ^	20.98%	12.25%	N/A
Risk-weighted capital ratio	15.53% # ^	13.27%	16.21%	15.58% # ^	21.02%	15.08%	26.82%

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Credit risk	94,244,713	19,554,311	15,042,700	126,983,208	1,387,711	43,728,549	353,503
Market risk	13,283,095	913,826	563,332	14,568,174	126,634	365,323	-
Operational risk	10,528,945	1,678,915	990,901	13,560,253	823,010	5,062,114	-
Large exposure risk	397,786	-	-	397,786	-	-	-
	118,454,539	22,147,052	16,596,933	155,509,421	2,337,355	49,155,986	353,503

(c) Components of Tier I and Tier II capitals are as follows:

	CIMB Bank RM'000	CIMB Islamic Bank RM'000	CIMB Thai Bank RM'000	CIMB Bank Group RM'000	CIMB Investment Bank Group RM'000	Bank CIMB Niaga RM'000	CIMB Bank PLC RM'000
Tier I capital							
Paid-up capital	3,764,469	1,000,000	1,054,244	3,764,469	100,000	511,740	113,183
Perpetual preference shares	200,000	70,000	-	200,000	-	-	-
Non-innovative Tier 1 Capital	1,000,000	-	-	1,000,000	-	-	-
Innovative Tier 1 capital	1,611,800	-	-	1,611,800	-	-	-
Share premium	5,033,633	-	386,774	5,033,633	-	2,571,266	-
Other reserves	7,679,028	1,008,841	262,722	9,408,891	433,319	2,996,653	(17,717)
Non-controlling interests	-	-	-	306,905	-	-	-
Less :							
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	-	-	(56,105)	-
Deferred tax assets	(140,439)	(18,057)	-	(146,237)	(42,998)	-	-
Intangible assets	-	-	-	-	-	-	(3,260)
Goodwill	(3,555,075)	(136,000)	-	(4,891,433)	-	-	-
Total Tier I capital	15,593,416	1,924,784	1,703,740	16,288,028	490,321	6,023,554	92,206
Tier II capital							
Redeemable preference shares	29,740	-	-	29,740	10	-	-
Subordinated notes	6,500,000	850,000	600,000	7,881,400	-	-	-
Subordinated loans	-	-	-	-	-	924,728	-
Revaluation reserve	-	-	74,037	-	-	-	-
Regulatory reserve	930,953	242,624	-	1,173,577	-	-	-
Portfolio impairment allowance [√]	133,220	45,257	54,567	278,012	1,115	486,464	2,587
Surplus of total eligible provision over expected loss under the IRB approach	250,350	(122,870)	-	91,670	-	-	-
Others	-	-	257,410	-	-	36,439	-
Total Tier II capital	7,844,263	1,015,011	986,014	9,454,399	1,125	1,447,631	2,587
Less :							
Investment in subsidiaries and holding of other banking institutions' capital instruments	(3,716,715)	-	-	(186,901)	(50)	(56,105)	-
Securitisation exposures subject to deductions**	(65,621)	-	-	(65,621)	-	-	-
Investment in associates	(305,584)	-	-	(305,584)	-	-	-
Total Eligible Tier II capital	3,756,343	1,015,011	986,014	8,896,293	1,075	1,391,526	2,587
Total capital base	19,349,759	2,939,795	2,689,754	25,184,321	491,396	7,415,080	94,793
Less :							
Proposed dividends	(959,000)	-	-	(959,000)	-	-	-
Total capital base (net of proposed dividend)	18,390,759	2,939,795	2,689,754	24,225,321	491,396	7,415,080	94,793

Breakdown of risk-weighted assets ("RWA") by each major risk category:

Interim dividend for financial year ending 31 December 2012 was paid in September 2012.

** Financing of hire purchase under PCSB (excluding those securitised) is included in the computation of RWA under the AIRB approach;

The investment in owner's note is accounted in accordance with Securitisation Framework under Risk Weighted Capital Adequacy Framework (Basel II - Risk Weighted Assets Computation) Guideline dated 31 December 2009.

[√] The capital base of CIMB Bank Group, CIMB Bank and CIMB Islamic Bank as at 31 December 2012 have excluded portfolio impairment allowance on impaired loans restricted from Tier II capital of RM339 million, RM323 million and RM16 million respectively.

* The amount presented here is the Solvency Ratio of CIMB Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived at CIMB Bank Plc's net worth divided by its risk-weighted assets.

[^] The Board of Directors of CIMB Group Holdings Berhad ("CIMBGH"), has in December 2012 approved the Dividend Reinvestment Scheme ("DRS") for the second interim dividend in respect of the financial year ended 2012. Pursuant to the DRS, CIMBGH intends to reinvest the excess cash dividend into the Bank, which will increase the capital adequacy ratios of CIMB Bank Group and CIMB Bank higher than those stated above. The DRS of CIMBGH had received the necessary approvals from Bursa Securities and from its shareholders via an Extraordinary General Meeting held on 25 February 2013. The DRS is approved by Bank Negara Malaysia on 25 March 2013.

A24. SEGMENTAL REPORT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Management Committee as its chief operating decision-maker.

Segment information is presented in respect of the Group's business segment and geographical segment.

All inter-segment transactions are conducted on an arm's length basis and on normal commercial terms not more favourable than those generally available to the public.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

During the period (year), the Group has made the following changes to segmental report:

1. The Group revised the basis of overheads allocation to respective segments, in order to give a better cost reflection in segmental report; and
2. Following the disposal of insurance associates during the period (year), the Group reclassified group insurance from consumer banking segment to investment segment .

As such, the comparatives were restated accordingly, to conform with current year's presentation.

Business segment reporting

Definition of segments:

Consumer Banking

Consumer Banking provides full-fledged financial services to individual and commercial customer. Its encompass the banking services across the Group's main operating markets of Malaysia, Indonesia, Singapore, Thailand and Cambodia. The divisions which make up the Consumer Banking are Consumer Sales & Distribution, Retail Financial Services, Commercial Banking, Group Cards & Personal Financing and Group Insurance.

Consumer Sales & Distribution oversees the Group's sales network including branches and mobile sales teams.

Retail Financial Services is responsible for most of the products and services to individual and micro enterprise customers. It offers products covering lending, deposit, wealth management, remittance and other services.

Commercial Banking is responsible for the development of products and services for small and medium-scale enterprises (SMEs) and mid-sized corporation.

Group Cards & Personal Financing is responsible for the Group's credit card business and personal loans portfolio.

Wholesale Banking

Wholesale Banking comprises Investment Banking and Corporate Banking, Treasury & Markets.

Investment Banking includes client coverage, advisory, equities and asset management businesses. Client coverage focuses on marketing and delivering solutions to corporate and institutional clients.

A24. SEGMENTAL REPORT (continued)

Wholesale Banking (continued)

Advisory offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory. Equities, provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing programme trades, block trades and market making, as well as provides nominee services and stock broking services to retail and corporate clients.

Asset Management comprises wholesale fund management and unit trust.

Corporate Banking, Treasury and Markets (CBTM) is responsible for corporate lending and deposit taking, transaction banking, treasury and markets activities. Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Investment

Investments focus on Group Strategy and Strategic Investments (GSSI) including funding operations for the group. GSSI consists of Group Strategy, Group Insurance, Private Equity and Strategic Investment which focus on defining and formulating strategies at the corporate and business unit levels, oversee the Group's strategic, private equity fund management and Strategic Investments. It also invests in the Group's proprietary capital.

Support and others

Support services comprise all middle and back-office processes, cost centres and non-profit generating divisions of companies in the Group. Other business segments in the Group include investment holding, property management and other related services, whose results are not material to the Group.

A24. SEGMENTAL REPORT (continued)

	Wholesale Banking					Total RM'000
	Consumer Banking RM'000	Investment Banking RM'000	Corporate Banking, Treasury and Markets RM'000	Investment RM'000	Support and others RM'000	
30 September 2013						
Net interest income						
- external income/(expense)	3,965,002	29,913	1,667,634	242,272	997	5,905,818
- inter-segment (expense)/income	(210,085)	43,503	65,381	113,464	(12,263)	-
	3,754,917	73,416	1,733,015	355,736	(11,266)	5,905,818
Income from Islamic Banking operations	662,221	21,003	387,163	67,847	4,481	1,142,715
Net non-interest income	1,419,519	766,317	786,289	332,284	(3,438)	3,300,971
Gain on disposal of subsidiaries and associates	-	-	-	525,113	-	525,113
Net income/(expense)	5,836,657	860,736	2,906,467	1,280,980	(10,223)	10,874,617
Overheads	(3,767,971)	(703,447)	(977,736)	(826,037)	(46,119)	(6,321,310)
of which:						
- Depreciation of property, plant and equipment	(189,849)	(40,470)	(29,758)	(7,077)	(1,744)	(268,898)
- Amortisation of prepaid lease payments	(239)	(103)	(14)	(8,595)	(2)	(8,953)
- Amortisation and impairment of intangible assets	(79,566)	(7,731)	(12,691)	(186,965)	(1,165)	(288,118)
Profit/(loss) before allowances	2,068,686	157,289	1,928,731	454,943	(56,342)	4,553,307
Allowance (made)/written back for impairment losses on loans, advances and financing	(345,466)	(836)	(6,005)	1,223	(1,032)	(352,116)
Allowance (made)/written back for losses on other receivables	(15,146)	(2,999)	(459)	(1,512)	1,896	(18,220)
Allowance written back for commitments and contingencies	-	-	1,334	-	-	1,334
Allowance written back/(made) for other impairment losses	-	18	4,127	(8,931)	707	(4,079)
Segment results	1,708,074	153,472	1,927,728	445,723	(54,771)	4,180,226
Share of results of jointly controlled entities	4,710	432	-	13,627	-	18,769
Share of results of associates	-	763	-	291,416	-	292,179
Profit/(loss) before taxation	1,712,784	154,667	1,927,728	750,766	(54,771)	4,491,174
% of profit before taxation	38.1	3.4	42.9	16.7	(1.1)	100.0
Taxation						(939,002)
Profit for the period for continuing operations						3,552,172
Discontinued operations						
Share of results of association from discontinuing operations	-	-	-	-	-	-
Profit for the period						3,552,172

A24. SEGMENTAL REPORT (continued)

	Wholesale Banking					Total RM'000
	Consumer Banking RM'000	Investment Banking RM'000	Corporate Banking, Treasury and Markets RM'000	Investment RM'000	Support and others RM'000	
30 September 2012						
Net interest income						
- external income/(expense)	3,642,992	(13,515)	1,688,466	163,459	6,702	5,488,104
- inter-segment (expense)/income	(111,635)	55,501	(30,457)	112,049	(25,458)	-
	3,531,357	41,986	1,658,009	275,508	(18,756)	5,488,104
Income from Islamic Banking operations	593,032	135,176	525,494	46,315	(8,607)	1,291,410
Net non-interest income	1,216,257	660,636	1,079,007	336,109	50,959	3,342,968
Gain on disposal of subsidiaries and associates	-	-	-	3,053	-	3,053
Net income	5,340,646	837,798	3,262,510	660,985	23,596	10,125,535
Overheads	(3,705,097)	(662,597)	(913,978)	(306,884)	(57,565)	(5,646,121)
of which:						
- Depreciation of property, plant and equipment	(191,804)	(38,028)	(19,244)	(6,660)	(2,329)	(258,065)
- Amortisation of prepaid lease payments	(197)	(82)	(24)	(9,229)	(4)	(9,536)
- Amortisation of intangible assets	(104,833)	(3,601)	(10,169)	(66,736)	(5,479)	(190,818)
Profit/(loss) before allowances	1,635,549	175,201	2,348,532	354,101	(33,969)	4,479,414
Allowance (made)/written back for impairment losses on loans, advances and financing	(170,985)	1,954	(96,743)	(11,822)	822	(276,774)
Allowance (made)/written back for losses on other receivables	(15,234)	(6,148)	1,169	(947)	(5,844)	(27,004)
Allowance written back for commitments and contingencies	14,505	-	3	296	1	14,805
Allowance written back/(made) for other impairment losses	16	-	1,169	(3,966)	939	(1,842)
Segment results	1,463,851	171,007	2,254,130	337,662	(38,051)	4,188,599
Share of results of jointly controlled entities	1,368	(887)	-	8,174	-	8,655
Share of results of associates	-	546	-	73,503	-	74,049
Profit/(loss) before taxation	1,465,219	170,666	2,254,130	419,339	(38,051)	4,271,303
% of profit before taxation	34.3	4.0	52.8	9.8	(0.9)	100.0
Taxation						(999,330)
Profit for the period for continuing operations						3,271,973
Discontinued operations						
Share of results of association from discontinuing operations	-	-	-	35,214	-	35,214
Profit for the period						3,307,187

A25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

Determination of fair value and fair value hierarchy

The Group classified its financial instruments measured at Fair Value accordance to the following hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable for the asset or liability, either directly or indirectly

Level 3 – Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs)

The following table represents assets and liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 September 2013 and 31 December 2012.

	Carrying amount RM'000	Fair Value			Total RM'000
		Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
30 September 2013					
The Group					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	11,888,599	-	11,888,599	-	11,888,599
- Quoted securities	3,261,847	2,020,282	1,241,565	-	3,261,847
- Unquoted securities	7,470,970	-	7,399,535	71,435	7,470,970
Financial investments available-for-sale					
- Money market instruments	5,012,010	-	5,012,010	-	5,012,010
- Quoted securities	7,170,822	672,811	6,498,011	-	7,170,822
- Unquoted securities	20,253,790	-	19,090,990	1,162,800	20,253,790
Derivative financial instruments					
- Trading derivatives	5,282,107	21,521	5,260,585	-	5,282,106
- Hedging derivatives	188,079	-	188,079	-	188,079
Total	60,528,224	2,714,614	56,579,374	1,234,235	60,528,223
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	5,445,301	16,573	5,428,728	-	5,445,301
- Hedging derivatives	350,594	-	350,594	-	350,594
Total	5,795,895	16,573	5,779,322	-	5,795,895

	Carrying amount RM'000	Fair Value			Total RM'000
		Quoted market prices (Level 1) RM'000	Observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	
31 December 2012					
The Group					
<u>Financial assets</u>					
Financial assets held for trading					
- Money market instruments	16,058,744	-	16,058,744	-	16,058,744
- Quoted securities	2,539,894	1,533,704	1,006,190	-	2,539,894
- Unquoted securities	6,784,638	-	6,718,325	66,313	6,784,638
Financial investments available-for-sale					
- Money market instruments	5,693,269	-	5,693,269	-	5,693,269
- Quoted securities	4,851,401	434,000	4,417,401	-	4,851,401
- Unquoted securities	18,609,847	-	17,436,664	1,173,183	18,609,847
Derivative financial instruments					
- Trading derivatives	3,871,217	20,587	3,850,630	-	3,871,217
- Hedging derivatives	254,690	-	254,690	-	254,690
Total	58,663,700	1,988,291	55,435,913	1,239,496	58,663,700
<u>Financial liabilities</u>					
Derivative financial instruments					
- Trading derivatives	3,686,650	618	3,686,032	-	3,686,650
- Hedging derivatives	396,716	-	396,716	-	396,716
Total	4,083,366	618	4,082,748	-	4,083,366

A26. OPERATIONS OF ISLAMIC BANKING

A26a. UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	The Group	
		30 September 2013 RM'000	31 December 2012 RM'000
ASSETS			
Cash and short-term funds		9,415,314	7,418,491
Deposits and placements with banks and other financial institutions		895,791	873,775
Financial assets held for trading		4,857,122	6,252,944
Islamic derivative financial instruments		272,470	261,629
Financial investments available-for-sale		2,294,472	3,296,450
Financial investments held-to-maturity		1,137,947	1,075,590
Financing, advances and other financing/loans	A26d(i)	38,184,623	36,002,810
Deferred tax assets		22,787	11,070
Tax recoverable		3,195	-
Amount due from related companies		1,752,898	1,108,894
Amount due from holding company		1,177,274	823,727
Statutory deposits with Bank Negara Malaysia		1,381,277	1,104,097
Property, plant and equipment		9,310	10,680
Other assets		627,607	524,408
Goodwill		136,000	136,000
Intangible assets		11,250	7,328
TOTAL ASSETS		62,179,337	58,907,893
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS			
Deposits from customers	A26(e)	40,963,891	38,903,965
Deposits and placements of banks and other financial institutions		10,906,163	11,428,893
Islamic derivative financial instruments		384,377	382,290
Amount due to holding company		-	864,717
Amount due to related companies		718,530	3,776
Provision for taxation and zakat		20,273	138,568
Other liabilities		4,077,413	2,452,580
Subordinated Sukuk		855,372	863,557
TOTAL LIABILITIES		57,940,077	55,038,346
Equity			
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,260	55,250
Perpetual preference shares		70,000	70,000
Reserves		3,104,791	2,735,080
		4,230,051	3,860,330
Non-controlling interests		9,209	9,217
TOTAL EQUITY		4,239,260	3,869,547
TOTAL LIABILITIES AND EQUITY		62,179,337	58,907,893

A26b. UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	581,054	596,464	1,807,134	1,579,086
Net income derived from investment of shareholders' funds	60,260	100,751	143,045	356,545
Allowance made for impairment losses on financing, advances and other financing/loans	(30,601)	(38,676)	(88,501)	(101,586)
Allowance (made)/written back for impairment losses on other receivables	(15)	221	(264)	3
Total distributable income	610,698	658,760	1,861,414	1,834,048
Income attributable to depositors	(261,318)	(233,615)	(807,464)	(644,221)
Total net income	349,380	425,145	1,053,950	1,189,827
Other operating expenses	(149,675)	(129,450)	(441,980)	(378,391)
Profit before allowances	199,705	295,695	611,970	811,436
Allowance (made)/written back for impairment losses	(3,470)	34	(3,517)	(50)
Profit before taxation	196,235	295,729	608,453	811,386
Taxation	(45,406)	(67,093)	(146,550)	(194,582)
Profit for the period	150,829	228,636	461,903	616,804
Profit for the period attributable to:				
Owners of the Parent	150,545	228,059	461,044	615,791
Non-controlling interests	284	577	859	1,013
	150,829	228,636	461,903	616,804

A26c. UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	150,829	228,636	461,903	616,804
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation reserve-financial investments available-for-sale	(7,916)	9,771	(30,597)	5,471
- Net (loss)/gain from change in fair value	(26,811)	11,578	(38,968)	11,701
- Realised loss/(gain) transferred to income statement on disposal and impairment	12,694	(924)	(3,893)	(6,549)
- Income tax effects	6,201	(883)	12,264	319
Exchange fluctuation reserve	(4,433)	5	(5,708)	(2,363)
Other comprehensive (expense)/income for the period, net of tax	(12,349)	9,776	(36,305)	3,108
Total comprehensive income for the period	138,480	238,412	425,598	619,912
Total comprehensive income for the period attributable to:				
Owners of the Parent	138,572	238,351	425,650	622,157
Non-controlling interests	(92)	61	(52)	(2,245)
	138,480	238,412	425,598	619,912
<u>Income from Islamic operations (per page 2)</u>				
Total net income	349,380	425,145	1,053,950	1,189,827
Add: Allowance made for impairment losses on financing, advances and other financing/loans	30,601	38,676	88,501	101,586
Add: Allowance made/(written back) for impairment losses on other receivables	15	(221)	264	(3)
	379,996	463,600	1,142,715	1,291,410

A26d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS**(i) By type**

	The Group	
	30 September 2013	31 December 2012
At amortised cost	RM'000	RM'000
Cash line	440,326	471,590
Term financing	34,473,554	33,448,752
Bills receivable	3,673	3,766
Trust receipts	68,480	80,151
Claims on customers under acceptance credits	291,191	340,687
Staff financing	2	3
Revolving credits	2,920,613	1,575,218
Credit card receivables	114,910	112,543
Share margin financing	133,564	182,099
Other financing	44,979	72,641
Gross financing, advances and other financing/loans	38,491,292	36,287,450
Fair value changes arising from fair value hedge	133,652	222,909
	38,624,944	36,510,359
Less: Allowance for impairment losses		
- Individual impairment allowance	(72,207)	(127,290)
- Portfolio impairment allowance	(368,114)	(380,259)
	(440,321)	(507,549)
Net financing, advances and other financing/loans	38,184,623	36,002,810

(a) During the financial period, the Group has undertaken fair value hedges on RM6,350 million (31 December 2012: RM6,500 million) financing using profit rate swaps.

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Gross financing hedged	6,350,000	6,500,000
Fair value changes arising from fair value hedges	133,652	222,909
	6,483,652	6,722,909

The fair value loss on profit rate swaps in the hedge transaction as at 30 September 2013 were RM180 million (31 December 2012: RM247 million).

(ii) By geographical distribution

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Malaysia	35,816,136	33,312,865
Indonesia	2,065,486	2,495,884
Singapore	609,670	386,429
Other countries	-	92,272
Gross financing, advances and other financing/loans	38,491,292	36,287,450

(iii) Impaired financing, advances and other financing/loans by geographical distribution

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Malaysia	306,218	304,128
Indonesia	66,272	47,274
Other countries	-	92,271
Gross impaired financing, advances and other financing/loans	372,490	443,673

A26d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(iv) Movements in impaired financing, advances and other financing/loans:

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
At 1 January	443,673	472,632
Classified as impaired during the period/year	384,203	411,956
Reclassified as not impaired during the period/year	(152,091)	(159,073)
Reclassification from unwinding income	-	10,109
Amount recovered	(106,584)	(73,013)
Amount written off	(194,831)	(211,891)
Exchange fluctuation	(1,880)	(7,047)
At 30 September / 31 December	372,490	443,673
Ratio of gross impaired financing, advances and other financing/loans to gross financing, advances and other financing/loans	0.97%	1.22%

(v) Movements in the allowance for impaired financing:

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
Individual impairment allowance		
At 1 January	127,290	139,775
Allowance made during the period/year	3,204	34,150
Amount written off	(75,649)	(50,675)
Unwinding income	-	4,090
Exchange fluctuation	17,362	(50)
At 30 September / 31 December	72,207	127,290
Portfolio impairment allowance		
At 1 January	380,259	428,666
Allowance made during the period/year	122,880	112,112
Amount written off	(119,182)	(162,602)
Amount transferred to conventional operations	5,331	-
Unwinding income	-	6,019
Exchange fluctuation	(21,174)	(3,936)
At 30 September / 31 December	368,114	380,259
Portfolio impairment allowance (inclusive of regulatory reserve) as % of gross financing, advances and other loans (excluding RPSIA financing) less individual impairment allowance	2.19%	2.18%

A26e. DEPOSITS FROM CUSTOMERS
(i) By type of deposits

	The Group	
	30 September 2013 RM'000	31 December 2012 RM'000
Savings deposit		
Wadiah	1,694,728	1,527,782
Mudharabah	683,287	634,512
	2,378,015	2,162,294
Demand deposit		
Wadiah	3,980,188	3,638,360
Qard	21,185	1,875
Mudharabah	4,509,889	4,240,189
	8,511,262	7,880,424
Term deposit		
<i>Commodity Murabahah</i>	4,468,735	7,632,316
<i>Negotiable Islamic Debt Certificate (NIDC)</i>	5,695,347	3,481,754
Mudharabah	642,210	1,111,567
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	5,053,137	2,370,187
<i>Short term money market deposit-i</i>	14,925,937	12,886,793
Wakalah	14,925,937	12,886,793
<i>General investment account</i>	4,615,331	4,335,800
Wadiah	327,967	173,002
Mudharabah	3,538,520	3,721,960
Wakalah	748,844	440,838
<i>Specific investment account</i>	338,724	483,823
Mudharabah	338,524	483,823
Murabahah	200	-
	30,044,074	28,820,486
Others	30,540	40,761
	40,963,891	38,903,965
(ii) By maturity structures of term deposit		
Within one year	29,079,668	27,749,455
One year to less than three years	72,727	189,331
Three years to less than five years	555,758	434,327
Five years and more	335,921	447,373
	30,044,074	28,820,486
(iii) By type of customer		
Government and statutory body	4,383,161	6,547,784
Business enterprises	16,015,266	14,616,989
Individuals	5,454,043	6,225,821
Others	15,111,421	11,513,371
	40,963,891	38,903,965

Part B - Explanatory Notes Pursuant to BNM/GP8 Guidelines on Financial Reporting for Licensed Institutions

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

CIMB Group Holdings (“CIMB Group”) Results

CIMB Group Holdings Berhad (“CIMB Group”) reported a record net profit of RM3.502 billion for 9 months FY13 (“9MFY13”), representing a 7.3% year-on-year (“Y-o-Y”) growth and equivalent to net earnings per share (“EPS”) of 46.5 sen. Its annualised net return on average equity (“ROE”) was 16.0% and in-line with its full year target. For third quarter FY13 (“3Q13”), the Group’s net profit of RM1.062 billion was 0.8% higher than 2Q13.

Despite weak and volatile capital markets and difficult operating conditions in Indonesia, the Group remains in line with the ROE target due to outperformances at the regional consumer banking operations and regional corporate bank. Loans and deposits are growing at above market averages in all countries bar Indonesia, while exceptional gains have come in as scheduled.

CIMB Group Y-o-Y Results

CIMB Group’s 9MFY13 revenue increased by 7.4% Y-o-Y to RM10.875 billion, with a 7.3% growth in net interest income. The 7.6% expansion in non-interest income was inflated by a RM515 million gain from the sale of the 51% interest in CIMB Aviva in 1Q13. Excluding this gain, the Group’s non-interest income would have been 6.7% lower. The Group’s profit before tax (“PBT”) was 4.3% higher at RM4.491 billion, but would be 3.0% lower after excluding the one-off gain and RM200 million in restructuring charges.

For 9MFY13, the Group’s Regional Consumer Bank PBT expanded by 16.9% Y-o-Y to RM1.713 billion. Its largest contributor, the Malaysia and Singapore (“MS”) consumer operations, PBT grew 15.6% Y-o-Y to RM1.34 billion on the back of 7.8% revenue growth and lower operating costs and despite lower provision write-backs. The consumer operations’ PBT in Indonesia expanded by 24.0% Y-o-Y (in IDR terms) riding on moderate assets growth and larger CASA. The Thai consumer operations posted a smaller loss of RM3 million compared to a RM13 million loss in 9MFY12 while the Singapore consumer operations PBT jumped 220% to RM16 million. Consumer banking strengthened its position as the largest contributor to Group PBT at 41% (from 34% in 9MFY12).

The Group’s Regional Wholesale Banking PBT declined by 14.1% Y-o-Y to RM2.083 billion, largely due to the 34.0% Y-o-Y weaker Treasury & Markets PBT of RM785 million on the back of slower credit markets and treasury flows especially in Indonesia. Investment Banking PBT declined by 9.4% Y-o-Y due to the absence of mega Malaysian IPOs it enjoyed last year and weaker markets. However, Corporate Banking PBT improved by 7.3% to RM1.143 billion in line with good growth in corporate lending in all countries except for Indonesia and lower provisions. Corporate Banking contribution to Group PBT increased to 27% from 25% in 9MFY12 while Treasury & Markets and Investment Banking contributed 19% and 4% respectively.

Investments PBT was 66.7% higher Y-o-Y at RM695 million owing to the RM515 million gain arising from the sale of the 51% interest in CIMB Aviva partially offset by RM200 million in restructuring charges, and jump in value of the Group’s stake in Tune Insurance Holdings Berhad.

From a geographic perspective, non-Malaysian PBT decreased to 38% in 9MFY13 from 42% in 9MFY12. CIMB Niaga’s PBT rose 2.4% Y-o-Y to IDR4,359 billion while its contribution to the Group was 4.0% lower Y-o-Y at RM1,361 million due to the 12.1% depreciation of the Rupiah over the 9-month period. CIMB Thai’s PBT contribution to the Group was 36.3% lower Y-o-Y at RM124 million due to last year’s receipt of a THB1,344 million payment from the Thai Asset Management Corp (“TAMC”). Adjusting for the TAMC gain, overall PBT contribution from Thailand jumped 119.5% Y-o-Y as CIMB Thai’s contribution would have been higher by 92.7% while CIMB Securities Thailand’s profits jumped 441.4%. Total PBT contribution from Singapore grew 28.2% to RM160 million as both the bank and securities company did better.

The Group’s total gross loans and credit expanded 14.2% (excluding the declining bad bank loan book) and 14.3% Y-o-Y respectively. After adjusting for foreign exchange fluctuations, the Group’s total gross loans and credit increased by 16.7% and 16.6% Y-o-Y respectively. Commercial banking loans increased 20.5% while retail loans and corporate loans grew 12.8% and 13.5% respectively. Geographically, Singapore gross loans growth was strongest at 41.8% from a low base while Thailand and Indonesia expanded by 28.7% and 12.0% respectively in local currency terms. Malaysian loans were 13.9% higher Y-o-Y.

Total Group deposits grew by 11.3% Y-o-Y but were 13.3% higher Y-o-Y after excluding foreign exchange fluctuations. This was driven by a 13.3% expansion in Corporate & Treasury deposits and a 14.4% growth in commercial banking deposits. Retail deposits were 7.9% higher Y-o-Y. Geographically, deposit growth was strongest in Singapore at 35.8%. The Group’s CASA grew by 14.4% while the CASA ratio improved to 34.9% from 33.6% last year. Overall net interest margins were lower at 2.87% from 3.08% last year largely due to the sharp rise in Rupiah deposit cost.

B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS (CONTINUED)

The Group's total loan impairment of RM352 million in 9MFY13 was 27.1% higher than the RM277 million in 9MFY12 due to higher provision at CIMB Niaga and MS Consumer as well as lower recoveries. The Group's total credit charge was 0.21% in 9MFY13, well below its original estimate of 0.4%.

The Group's gross impairment ratio improved to 3.4% for 9MFY13 from 4.2% as at 9MFY12, with an allowance coverage of 82.2%. The Group's cost to income ratio rose to 58.1% compared to 55.8% in 9MFY12 due to the combination of restructuring charges and new acquisitions.

CIMB Group's total capital ratio stood at 14.0% while its Tier 1 capital ratio stood at 10.0% as at 30 September 2013. CIMB Bank's total capital ratio stood at 13.2%. CIMB Group's double leverage and gearing stood at 114.0% and 15.7% respectively as at end-September 2013.

CIMB Group Q-on-Q Results

The Group's 3Q13 revenues of RM3.485 billion were 1.2% higher than 2Q13, translating to a 0.8% Q-o-Q net profit growth to RM1.062 billion. Net interest income was 1.6% higher while non-interest income was 0.2% higher Q-o-Q. Overheads rose by 0.8% while loan provisions increased 181.7%.

The Group's Consumer Banking PBT was 7.2% lower Q-o-Q. The MS consumer bank PBT declined 10.6% Q-o-Q as improved revenues was offset by higher provisions during the period. Wholesale Banking PBT was 3.1% lower Q-o-Q at RM659 million largely due to the weaker Investment Banking PBT in line with the softer capital markets. Treasury & Markets PBT improved 23.9% Q-o-Q while Corporate Banking was 2.9% lower. PBT from Investments were 94.3% higher Q-o-Q as the Group recognized most of its gains from the listing of Tune Insurance Holdings Berhad.

CIMB Niaga Results

On 29 October 2013, CIMB Niaga reported a 9MFY13 net profit of IDR3,212 billion, a 3.6% Y-o-Y increase, with an annualised 9MFY13 net ROE of 18.1%. The higher profit was due to the asset base expansion in consumer banking partially offset by lower net interest margins ("NIM"), weaker income from Treasury and Markets operations and higher overhead expenses. On a sequential basis, the 3Q13 net profit was flat compared to 2Q13. Annualised loan loss charge was 0.7% for 9MFY13, slightly better than 0.8% for 9MFY12.

CIMB Niaga's gross loans grew 12.0% Y-o-Y for 9MFY13 mainly driven by the commercial banking and retail segments. Corporate banking loans were only 2.2% higher due to more cautious disbursements. The Gross NPL of 2.3% as at end-September 2013 was an improvement from the 2.4% in 9MFY12. CIMB Niaga's loan loss coverage (based on BI definition) stood at 111.1% as at end-9MFY13 compared to 113.1% as at end-9MFY12.

CIMB Niaga's Tier 1 capital and total capital ratios stood at 13.3% and 15.8% respectively as at 30 September 2013.

CIMB Thai Results

On 21 October 2013, CIMB Thai announced a 9MFY13 net profit of THB961 million which was 18.7% lower Y-o-Y. This decline was attributed to the TAMC gains recognized in 9MFY12. CIMB Thai's net profit was 80.8% higher Q-o-Q owing to improved revenues and slower increase in overhead expenses. The annualised loan loss charge was 0.7% for 9MFY13, better than 1.1% for 9MFY12.

As at 30 September 2013, CIMB Thai's Tier 1 capital and total capital ratios were at 10.4% and 14.7% respectively. CIMB Thai's net NPL ratio fell to 1.7% compared to 2.1% as at 30 September 2012.

CIMB Islamic

CIMB Islamic's Y-o-Y PBT decreased Y-o-Y by 8.3% to RM342 million due to lower Islamic capital markets activity. CIMB Islamic's gross financing assets grew 13.2% Y-o-Y, accounting for 15.7% of total Group loans. Total deposits grew by 25.0% Y-o-Y to RM38 billion.

Geographic Expansion

In 3Q13, CIMB Group commenced investment banking operations in Taiwan. The Group remains in the process of establishing bank branches in Laos, Shanghai and Hong Kong.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2013 were:

Capital Management

- On 18 January 2013, CIMB Group proposed the establishment of a dividend reinvestment scheme (“DRS”) that would allow shareholders the option to elect to reinvest dividends in new CIMB Group shares. At an EGM on 25 February 2013, CIMB Group shareholders approved the proposed DRS. The proposed DRS received the necessary approvals from Bursa Securities and Bank Negara Malaysia (“BNM”) on 5 February 2013 and 25 March 2013 respectively. On 8 May 2013, the Group issued and allotted 183,075,800 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS. The new shares were listed and quoted on the Main Market of Bursa Securities on 9 May 2013.
- On 9 May 2013, CIMB Group announced its intention to resume with the proposal to undertake the dual listing of ordinary shares on the Stock Exchange of Thailand (“SET”). On 30 May 2013, the Securities Commission (“SC”) approved the proposed SET listing. On 10 June 2013, approval was attained from Bursa Malaysia Securities for the proposed SET listing. Upon attaining all necessary approvals, the proposed SET listing is expected to be implemented by end 2013. On 15 November 2013, the Group submitted an application to the SC for a 6-month extension to complete the proposed SET listing.
- On 13 June 2013, CIMB Bank announced that it had obtained approval from the SC on 10 June 2013 and from BNM on 3 May 2013 for the proposed program to issue up to RM10 billion in Basel 3-compliant Tier 2 subordinated debt. On 13 September 2013, CIMB Bank completed the inaugural issuance of RM750 million subordinated debt under the program. On 16 October 2013, CIMB Bank completed the second issuance of RM300 million subordinated debt under the program.
- On 13 September 2013, CIMB Group received approval from Bursa Securities for the proposed single tier first interim dividend in respect for FY13 applicable for the DRS. On 30 October 2013, the Group issued & allotted 113,495,493 new ordinary shares of RM1 each in new CIMB Group shares pursuant to the DRS. The new shares were listed and quoted on the Main Market of Bursa Securities on 31 October 2013.

Mergers and Acquisitions

- On 2 April 2012, CIMB Group entered into a sales and purchase agreement (“SPA”) with The Royal Bank of Scotland (“RBS”) for the proposed acquisition of selected cash equities, equity capital markets and M&A corporate finance businesses in Australia, China, Hong Kong, India, Taiwan, Indonesia, Malaysia, Singapore and Thailand for GBP88.4 million (approx RM431.8 mil). On 27 April 2012, the acquisition of the businesses in Indonesia, Malaysia, Singapore and Thailand were completed. On 30 June 2012, the acquisition of the businesses in China and Hong Kong was completed. On 12 July 2012, the proposed acquisition of the businesses in India was terminated due to a legal issue arising in connection with the sale of the India Business by RBS. On 2 November 2012, the acquisition of the businesses in Australia was completed. On 28 March 2013, the acquisition of the businesses in Taiwan was completed.
- On 17 January 2013, CIMB Group’s wholly-owned subsidiary, CIG Bhd, entered into an implementation agreement with Renggis Ventures Sdn Bhd (“RVSB”), a wholly-owned subsidiary of Khazanah Nasional, for the proposed sale of a 51%-stake in CIMB Aviva Assurance and CIMB Aviva Takaful to RVSB for RM1.11 billion. On 28 March 2013, BNM approved the proposed sale. CIG Bhd entered into a SPA dated 29 March 2013 with RVSB in respect of the disposal. The proposed disposal was completed on 12 April 2013.
- On 8 May 2012 CIMB Bank entered into SPAs with San Miguel Properties, Inc., San Miguel Corporation Retirement Plan, Q-Tech Alliance Holdings, Inc. and various minority shareholders in relation to the proposed acquisition of 59.98% of the total issued and paid-up share capital of Bank of Commerce (“Proposed Acquisition”). On 21 June 2013, CIMB Bank announced that the SPAs in relation to the proposed acquisition has lapsed. As an agreement on new terms could not be reached, the parties to the SPAs did not proceed with the proposed acquisition.

Others

- On 24 March 2013, CIMB Securities Limited begun its investment banking and brokerage businesses in Seoul, South Korea after obtaining an equities brokerage licence from the Financial Services Commission of Korea.
- On 14 April 2013, CIMB Securities (India) Pte. Ltd, started its investment banking and brokerage businesses in Mumbai, India after obtaining a stock broking licence from the Securities and Exchange Board of India.
- On 23 April 2013, Fitch Ratings affirmed the National Long-Term ratings of CIMB Thai at 'AA-(tha)' with a stable outlook. Fitch also affirmed CIMB Thai's Long-Term Foreign-Currency IDR at 'BBB'.
- On 23 April 2013, Fitch Ratings has affirmed the Long-Term Foreign Currency Issuer Default Ratings (IDR) of CIMB Niaga at 'BBB' with a stable outlook. The National Long-Term rating was affirmed at 'AAA(idn)'. Fitch also affirmed CIMB Niaga Auto Finance (“CNAF”) National Long-Term rating at 'AA+(idn)' with a stable outlook.

B2. CORPORATE DEVELOPMENTS (CONTINUED)

- On 10 May 2013, CIMB Australia entered into a strategic alliance agreement for the provision of research reports and cooperation on corporate advisory and capital markets work to RBS Morgans Holdings Pty Limited.
- On 6 June 2013, CIMB Securities International, a wholly-owned subsidiary of CIMB Group, disposed of its 99.99% interest in CIMB-GK Securities (Thailand) Ltd to a third party.
- On 28 June 2013, CIMB Group's wholly owned subsidiary CIMB Strategic Assets SdnBhd incorporated a 50:50 joint venture with HLFG Principal Investments (L) Limited, to establish and manage a private equity fund known as Bangsar Capital Holdings (L) Limited.
- On 15 July 2013, Moody's affirmed the A3/P-2 foreign currency deposit and issuer ratings of CIMB Bank. Concurrently, Moody's raised CIMB Bank's baseline credit assessment to baa1, from baa2. The A3 foreign currency senior unsecured debtdand (P)A3 foreign currency senior unsecured MTN program were affirmed. In addition, Moody's upgraded the rating on non-cumulative guaranteed preference shares issued by SBB Capital Corporation to Ba1(hyb) from Ba2(hyb).
- On 18 July 2013, Moody's assigned CIMB Niaga a bank financial strength rating (BFSR) of D, which maps to a ba2 baseline credit assessment.
- On 2 August 2013, RAM Ratings reaffirmed the respective long and short-term ratings of AAA and P1 for CIMB Islamic. The long term rating has a stable outlook.
- On 5 August 2013, RAM Ratings reaffirmed CIMB Group's respective AA1 and P1 long and short-term corporate credit ratings. The RM6.0 billion Conventional and Islamic Commercial Papers/Medium-Term Notes Programme was reaffirmed at AA1 and P1 respectively. The RM3.0 billion Subordinated Notes Programme was also reaffirmed at AA3. The outlook for all remains stable.
- On 5 August 2013, RAM Ratings reaffirmed the long and short-term ratings of AAA and P1 for CIMB Investment Bank. The long term rating has a stable outlook.
- On 5 August 2013, RAM Ratings reaffirmed the respective long and short-term ratings of AAA and P1 for CIMB Bank. RAM also obtained a rating of AA1 for CIMB Bank's proposed RM10 billion Basel III-compliant Tier 2 Subordinated Debt Programme. Both ratings carry a stable outlook.
- On 29 August 2013, MARC assigned a rating of AA+ to CIMB Bank's proposed RM10 billion Basel III-compliant Tier 2 Subordinated Debt Programme. MARC affirmed the long-term and short-term financial institution ratings on CIMB Bank at AAA/MARC-1 and the ratings of all corporate debt issuances by the bank.
- On 8 November 2013, Moody's assigned A1/P-1 local currency deposit ratings to CIMB Bank and reaffirmed CIMB Bank's foreign currency deposits ratings at A3/P-2, both with stable outlook.
- On 8 November 2013, Moody's assigned a local currency deposit & issuer rating A1/P-1 to CIMB Islamic Bank, and a foreign currency deposits & issuer rating of A3/P-2, both with stable outlook.

B3. PROSPECTS FOR THE CURRENT FINANCIAL PERIOD

This year the Group has built on the "CIMB 2.0" changes which implemented last year, completed its IB platform expansion and restructured its cost base for the long term. At the same time, the Group has had to navigate a much tougher operating environment than expected, especially in Indonesia which accounts for about 30% of the Group's earnings.

In 4Q13, there is a surge in capital markets transactions and continued positive momentum in all markets except Indonesia. Having a decent chance of meeting the Group's 16% ROE target for 2013, and given the expected contraction in CIMB Niaga's contribution, that would be a very satisfying outcome for the Group.

B4. TAXATION

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	318,518	337,080	995,516	1,016,061
Deferred tax expense	(7,944)	(7,886)	(30,550)	(18,957)
Over-accrual in prior years	(3,054)	1,144	(25,964)	2,226
	307,520	330,338	939,002	999,330

Reconciliation

Profit before taxation	1,386,257	1,495,768 *	4,491,174	4,306,517 *
Tax at statutory income tax rate of 25% (2012: 25%)	346,565	373,942	1,122,794	1,076,629
Effect of different tax rates in other countries and change in tax rates	3,670	5,665	1,706	7,210
Due to income not subject to income tax and expenses not deductible for tax purposes	(39,661)	(50,413)	(159,534)	(86,735)
Over-accrual in prior years	(3,054)	1,144	(25,964)	2,226
	307,520	330,338	939,002	999,330

* Includes profit from discontinued operations

B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B6. REALISED AND UNREALISED PROFITS

	Group	
	30 September	31 December
	2013	2012
	RM'000	RM'000
Total retained earnings of the Group and subsidiaries		
- Realised	11,874,688	9,835,615
- Unrealised	237,765	340,878
	12,112,453	10,176,493
Total share of retained earnings from associates		
- Realised	613,503	322,064
- Unrealised	1,290	550
Total share of retained earnings from jointly controlled entities		
- Realised	65,402	46,633
- Unrealised	1	1
	12,792,649	10,545,741
Consolidation adjustments	72,217	680,779
Total group retained earnings as per consolidated financial statements	12,864,866	11,226,520

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The marked-to-market gains and losses on derivative contracts and financial investments at fair value through profit or loss that remain outstanding in the financial statements of the Group as at 30 September 2013 and 31 December 2012 are deemed unrealised and should be read together as it reflects the nature of the transactions and financial position of the Group. In addition, the unrealised retained profits of the Group as disclosed above excludes the translation gains and losses on monetary items denominated in a currency other than the functional currency, as these gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

B7. BORROWINGS AND DEBT SECURITIES

	The Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
Bonds and debentures*		
Unsecured		
One year or less (short term)	1,663,485	704,273
More than one year (medium/long term)	4,112,256	2,646,226
	5,775,741	3,350,499

* Included in bonds and debentures for the current period are IDR denominated bonds equivalent to IDR4,100,000 million, IDR denominated notes equivalent to IDR600,000 million, HKD denominated bonds equivalent to HKD2,188 million, USD denominated bonds equivalent to USD415 million, THB denominated debentures equivalent to THB20,305 million and SGD denominated bonds equivalent to SGD20 million.

Other borrowings**

Unsecured		
One year or less (short term)	2,521,771	1,059,251
More than one year (medium/long term)	3,274,987	4,527,447
	5,796,758	5,586,698

** Included in other borrowings for the current period is USD denominated syndicated term loans of USD100,000,000.

Subordinated Notes***

Unsecured		
More than one year (medium/long term)	12,482,852	13,220,286
	12,482,852	13,220,286

*** Included in subordinated notes for current period are IDR denominated Subordinated Notes of IDR2,980,000,000,000 and THB denominated Subordinated Notes of THB6,604,000,000. The Subordinated Notes of RM1,500,000,000 was fully redeemed on 23 March 2013.

B8. MATERIAL LITIGATION

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group's basic EPS is calculated by dividing the net profit attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after non-controlling interests				
- from continuing operations	1,061,691	1,107,609	3,502,136	3,227,964
- from discontinued operation	-	35,214	-	35,214
	1,061,691	1,142,823	3,502,136	3,263,178
Weighted average number of ordinary shares in issue				
- proforma ('000)	7,615,847	7,432,772	7,530,009	7,432,772
Basic earnings per share (expressed in sen per share)				
- from continuing operations	13.9	14.9	46.5	43.4
- from discontinued operation	-	0.5	-	0.5
	13.9	15.4	46.5	43.9

b) Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current period and the preceding year corresponding period as there are no dilutive potential ordinary shares.